

The NATIONAL UNDERWRITER



**"But—my oldest employe
. . . it CAN'T be true!"**

THE grim tragedy of embezzlement is that a single false step may cancel a lifetime of faithful effort, blast a reputation and wreck a business. Many an employer has faced ruin because he failed to understand that embezzlers are *not criminal types*. You cannot single out the potential embezzler.

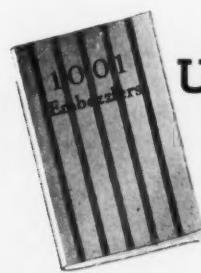
The tragic story of embezzlement, as revealed by a recent analysis of 1,001 actual cases, is a story of normally honest men and women—tried and trusted employes—who weakened under pressure of personal emergency, "borrowed" from their employers; found

themselves unable to repay, then took more and more.

Widening Your Market for "Fidelity"

Advertisements similar to this one, in *Time* and other publications, are telling business at large about the hazards of embezzlement, about our book, "1,001 Embezzlers," and about the new, simplified Fidelity Bond forms of the U. S. F. & G. Don't let any employer among your clients suffer a loss through embezzlement—and then wake up to discover that *you could have protected him*. There are plenty of opportunities to sell *Fidelity* among the employers in your own files.

Consult your Agent or Broker as you would your Doctor or Lawyer



**UNITED STATES FIDELITY
AND GUARANTY COMPANY**

WITH WHICH IS AFFILIATED

Fidelity & Guaranty Fire Corporation

HOME OFFICES: BALTIMORE

Wings over New Guinea



(Photograph by courtesy of Mr. Richard Archbold and *Times Wide World*.)

• New Guinea (just north of Australia and part of the one-time "Cannibal Islands" groups) is one of the really wild frontiers of the world which has been only partly explored.

To penetrate further into this island territory the American Museum of Natural History recently sent out a scientific expedition, headed by Mr. Richard Archbold. Insurance on the plane pictured above, which was an important part of the expedition's equipment, was arranged by Mr. Page Hufty of Washington, D. C., under a policy written in New York through

the Aero Insurance Underwriters in the Royal-Liverpool Groups. The plane, while moored, was wrecked by a violent windstorm and the "Royal" paid a claim of \$57,000.

With their world-wide connections for the prompt and efficient handling of claims, Royal-Liverpool Companies can guarantee to representatives and insureds full consideration of usual or unusual risks, whether located at home or abroad.

This is No. 3 of the series, "'Round the World with the Royal-Liverpool Groups.' No. 4 finds the Groups insuring Nippon temples.



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PORTRAIT OF AN HONEST MAN

"Honest as the day is long" said his employer. But - trouble came his way - worry - expense - and a desperate need for money.

He "borrowed" from his employer! Of course he meant to replace the constantly growing amounts he took - but when he was apprehended the sum was so great that the loss was a staggering blow to the business.

Every employer needs an F. & C. Blanket Fidelity Bond to guard against the frailty of trusted employees.



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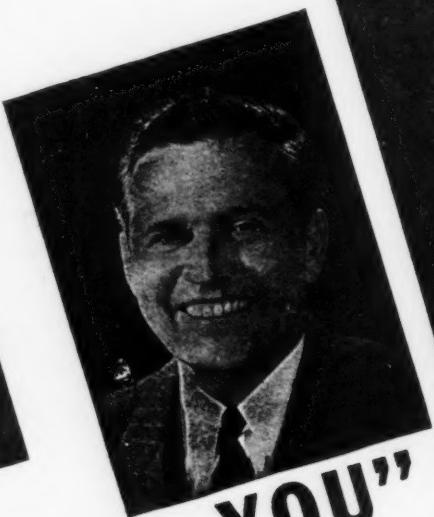
New York, N.Y.

ATLANTA

DALLAS

MONTREAL

NOW WHAT SHOULD I DO?
asked the man who just
had a fire



"I'LL TELL YOU"
replied the stock company
fire insurance agent

Let's hope you never have a fire.
But if you should, it's a grand thing to know you
can turn to your insurance agent for help.

He will look out for your interests, will see
that your claim gets prompt attention. Accustomed
to such emergencies, he knows just what to do—
and does it.

Agency Service, that's what it is called. You get
it when you're insured in a stock company. And
not only in emergencies but every day, the agent
stands ready at your call.



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The NATIONAL UNDERWRITER

Forty-first Year—No. 45

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 11, 1937

\$4.00 Per Year, 20 Cents a Copy

W.H. Menn Stresses Achievements of Washington Office

Rural Organization and Casualty B.D.O. Are National Association Aims

HOLLYWOOD, CAL.—Achievements of the year, with special emphasis on the work of the Washington office, were reviewed by William H. Menn, Los Angeles, chairman executive committee National Association of Insurance Agents, in his talk at the convention of the California Association of Insurance Agents.

The Washington office of the National association has followed the practice of working with government officials in matters involving insurance instead of against them, said Mr. Menn. It is this cooperation which has secured favorable treatment for agents in connection with the Home Owners Loan Corporation, the Resettlement Administration, the Rural Electrification Administration and other bodies. Mr. Menn declared that in his opinion the opening of the Washington office was one of the most valuable moves ever made by the National association. He urged agents to get in touch with Assistant Secretary Reed whenever they need any information and promised that the Washington office will continue to extend its activities into any field involving insurance and the interests of the local agent.

New Agency Agreement

The settlement of the dispute with the companies over the proposed agency contracts was cited by Mr. Menn as an example of the need for a strong national organization. No individual or local or statewide group of agents could have accomplished this, he declared. The agreement with the Home Owners Loan Corporation and the settlement of the prolonged discussion over commissions on large surety bonds, all in a manner favorable to agents, were other items pointed out by Mr. Menn as needing attention on a nation-wide scale.

The two important tasks now before the National association, according to Mr. Menn, are organization of rural agents and the institution of a casualty business development office. The rural agents committee, Mr. Menn stated, is now working at top speed and will undoubtedly show accomplishments far beyond the expectation of every one. The need for organization work among rural agents has been shown by the fact that frequently an effective plan has been developed in one state for meeting mutual competition and other states within the same jurisdiction know nothing about it and agents went without relief.

Since Mr. Menn was the first to speak for the extension of Business Development activities to casualty insurance at the 1937 mid-year meeting of the National association, he was well qualified

Recent Economic Changes Offer New Opportunities

HOLLYWOOD, CAL.—Three phases of the insurance business that have been affected by the many changes in the business world in recent years should immediately engage the attention of every competent agent, H. W. McGee, vice-president Wren & Van Alen, Los Angeles, declared in speaking on "The Agent's Responsibility in Applying Insurance to the Needs of Modern Business" at the annual meeting of the California Association of Insurance Agents.

These are "revamping and modernizing existing insurance; the development of new avenues of insurance sales, and the stability of the carriers of insurance."

"If we combine a knowledge of changed business conditions with a real knowledge of the insurance business, and apply this combination to those three phases, we shall develop a power that will be of genuine and lasting benefit to the insuring public and redound to the benefit of ourselves," he said.

Prior to the depression, the fact that a company was admitted to the state was sufficient guaranty of its financial stability, to the average purchaser of insurance. Proud possession of an A+1 rating, "benevolently bestowed by certain rating publications," completed confidence in the insurance carrier. Since that time, however, the inadequacy of dependence upon this has been demonstrated, he declared.

Stress Security, Agency Service

"With business at a virtual standstill, we witnessed the rise of mutual and reciprocal carriers, and unless we wish to accept this as a permanent condition, we must vigorously combat their further inroads by education, through which we stress company security and the value of agency service. Only by imbuing our clientele with our enthusiastic belief in the agency system, and, by our splendid service, proving the soundness of our arguments, can we perpetuate that system against the system of mutual, cooperative or reciprocal insurance," said Mr. McGee.

Other aspects for consideration include that for the first time a depression produced lower fire loss ratios, and corresponding reduction of premiums and rates. Also a rise of third party claims as a source of income to injured persons became apparent. Upturn of business will not eliminate public consciousness of damage suit possibilities. Therefore, the agent must have his client properly protected, in view of this claims consciousness. In liquidation of consignment products, the moral hazard in fire risks increases in importance. If the agent is to survive, he must carefully select his risks—both casualty and fire—because of these lessons learned by the depression.

Regulation Opens New Fields

A challenge to the ability and energy of the agent is offered in the tendency toward regulation of business, whether governmental or voluntary. Giving the Interstate Commerce Commission jurisdiction over truck owners who, for a

consideration, offer their facilities to the general public, is an example. Rulings frequently make it necessary to revise existing truck insurance and necessitate purchase of coverage by many not formerly carrying insurance. "Unfortunately, there seems to be as yet no effective requirement as to stability of carrier," he added. The public can not be properly protected until a standard of responsibility is set for all carriers whose policies are filed with the commission. By urging such requirements, the agent is performing a valuable service.

Various regulatory boards, becoming more numerous annually, offer the agent new fields for fidelity, check alteration and fire insurance.

Under provisions of the California A. A. A., certain crops are marketed through packing houses. "It is not difficult to imagine, in bumper crop years, that the loss of a single major packing house through fire or other insurable causes would affect every grower in its vicinity." Therefore new fields are opened for adequate insurance on packing plants.

Cooperative marketing organizations which store surpluses of nonperishable commodities for future markets present still another field.

Governmental Agencies Cited

The HOLC opens another avenue of additional agency sales which has previously been largely controlled by financial institutions with insurance departments. "The National Association of Insurance Agents is to be congratulated for having saved for the local agents more than \$400,000 in insurance commissions thus far in this connection," he said.

The federal housing act has opened up a field of dwelling house insurance

(CONTINUED ON PAGE 19)

Testimonial Dinner for Charles F. Liscomb

The testimonial to be given to C. F. Liscomb of Duluth at the Hotel Duluth the evening of Nov. 18, will be conducted jointly by the Minnesota Association of Insurance Agents, Duluth Underwriters Association, Minnesota Fire Underwriters Association and other field men. Minnesota has not had a national president heretofore and therefore the agents and insurance men in general in the state are proud that Mr. Liscomb has brought the high honor to Minnesota. The invitation and ticket committee consist of George Van Wagenen, T. G. Linnell and P. H. Ware of Minneapolis and E. C. Huhnke of Duluth. The program committee consists of E. B. Dunning, Frank Compton and John Nanson of Duluth; Carl Theimer, Robert Jordan and T. G. Linnell of Minneapolis and Frank Rogers of St. Paul. On the banquet committee are Gilbert Buffington, R. D. Hood, J. W. Anderson, E. O. Smith of Duluth and George V. B. Hill of Minneapolis.

California Agents Elect Goldsmith President at Meet

Over 800 Present—Marked Progress in Conference Program Is Reported

NEW OFFICERS ELECTED

President—Donald B. Goldsmith, San Diego.

Vice-president—Elmer C. White, Schroeter & White, Oakland.

Secretary—T. W. Thomas, Stockton.

National Councillor—G. C. Appleton, Fresno.

HOLLYWOOD, CAL.—The 30th annual convention of the California Association of Insurance agents opened with an attendance of approximately 800, with President G. C. Appleton of Fresno presiding. Carl Bush of the Hollywood Chamber of Commerce welcomed the visitors. Harry Perk, Jr., president of the Los Angeles Insurance Exchange, referred to the previous meeting of the association held in Los Angeles seven years ago and outlined the reasons for the selection of Hollywood as a meeting place.

Fox Urges High Standards

In presenting the greetings from the California Association of Insurance General Agents, President E. C. Fox, Cravens, Dargan & Fox, San Francisco, urged the raising of insurance standards with "competence and a united front to destroy unfair competition."

Mr. Fox told of the high standards of the supervising general agents in the United States who deal only through agents and brokers. The supervising general agent firmly believes in the preservation of the American agency system, said Mr. Fox. General agents believe in lessening the practice of overhead writing, in less activity by company organized and controlled pools and associations and in representing companies that are in sympathy with agency problems. General agents oppose the present practice of legitimatizing automobile finance agencies. They believe cut rate competition and excess commissions will lead to destruction of the business. No general agent should engage directly or indirectly in agency or brokerage business and the agent or broker in turn should not trespass in the general agency field, said Mr. Fox. A sensible, sound leadership without dissensions and quarrels, will bring success in the future, declared Mr. Fox.

Deplores Price Appeal

Agents were urged to combat price competition with service by J. E. Joseph, chairman of the Casualty Association of Los Angeles, in his welcome address. The assured is entitled to the best and most advanced forms of casualty coverage, he declared. Price consciousness on the part of the assured creates a destruc-

(CONTINUED ON PAGE 18)

Illinois Agents Program for Annual Convention

Schedule of Events for the Rockford Meeting Next Wednesday and Thursday

The complete program for the annual meeting of the Illinois Association of Insurance Agents at the Faust Hotel, Rockford, Wednesday and Thursday of next week is announced by W. Herbert Stewart of Chicago, the president. At noon the second day there will be a luncheon tendered to all present by the American of Newark group with Manager Robe Bird as official host. The program is as follows:

Wednesday Morning, Nov. 17

Local board committee conference, James J. Beattie, Rockford, chairman. Farm committee conference, Mark I. Hall, Belvidere, chairman.

Other committee conferences.

Afternoon Session

W. Herbert Stewart, president Illinois Association of Insurance Agents, presiding.

Address of welcome, Robe Bird, vice-president American of Newark.

Response, Alvin S. Keys, Springfield, chairman of board.

Appointment of nominating committee.

Appointment of resolutions committee.

Report of the president, W. Herbert Stewart.

"Public Business," Laurence E. Falls, vice-president American of Newark.

"The Wisconsin State Fire Fund," G. F. Risley, Milwaukee, special agent Great American.

Banquet

W. Herbert Stewart, presiding. Jeremiah McQuade, Peoria, toastmaster.

Edward M. Allen, New York, executive vice-president National Surety.

Walter H. Bennett, New York, general counsel National Association of Insurance Agents.

Closing remarks, W. Herbert Stewart.

Thursday Program

W. Herbert Stewart, presiding. "Security Behind the Contract," F. S. Dauwalter, director Business Development Office, New York.

Executive sessions (agents only).

Reports—National councillor, F. J. Budeler, Rock Island; secretary-treasurer, S. E. Moisant, Kankakee; standing and special committees.

Report of committee on resolutions. Report of nominating committee. Election of officers.

Unfinished business.

Luncheon, Robe Bird, host. Invitation extended to all agents by the American of Newark.

Gather at St. Charles, Mo.

ST. CHARLES, MO.—Regional Business Development gathering was held here, with Earl Thomas, state agent National Liberty and chairman of zone 7, presiding. Agents attended from the western portion of St. Louis county and Lincoln, Montgomery, St. Charles and Warren counties, and a number of field men were present. This gathering opened the second leg of the Business Development program in Missouri. The subjects discussed were: "Some Selling Fundamentals," "Futility of Price Appeal" and "Organized Sales Campaign."

Discussion leaders were Earl Plummer, New York Underwriters; F. J. Ryan, marine special Aetna Fire; Frank Eu-banks, Royal group, and Thomas Kingsley, Travelers Fire.

Confer on Rural Program

State agents of companies writing farm insurance conferred in Columbus, O., with J. A. Lloyd, secretary Ohio Association of Insurance Agents, and P. W. Triblet of Bellevue, chairman farm committee, on plans for the rural agents' program in the state. Soon after Jan. 1, it was decided, ten regional meetings will be held at which all rural agents will be given opportunity to take part

New Missouri Chief Is Former Life Man



GEORGE A. S. ROBERTSON

The new insurance commissioner of Missouri, George A. S. Robertson, who served as deputy until former Commissioner O'Malley removed him from office, is a former life insurance man, being connected with general agencies in Kansas City and at Marshall. Recently he has been a director of a bank in Columbia. Mr. Robertson served as deputy from 1933 to September, 1936, and then because of differences of opinion between him and Commissioner O'Malley it was felt desirable for him to retire from office. He is well thought of.

in a factual discussion of the farm problem. All will be supplied with literature to enable them to write more farm business. Chairman Triblet soon will name other members of his committee.

J. M. Guggan is now operating the Thoelke Insurance Agency, St. Charles, Mo.

THE WEEK IN INSURANCE

California Association of Insurance Agents holds annual meeting in Hollywood, Page 3

William H. Menn, National association executive committee chairman, speaks to California agents. Page 3

New opportunities for insurance coverage that have been opened up by recent economic changes are reviewed by H. W. Magee of Los Angeles at meeting of California agents. Page 3

Insurance companies, due to a recent stock market decline, see their securities down from 20 to 30 percent. Page 5

Loss Managers Conference of the American Mutual Alliance met in Cleveland discussing problems of interest. Page 6

Mid-year meeting of the Southeastern Underwriters Association is held at Pinehurst, N. C. Page 5

Maine Association of Insurance Agents wants agreement between Eastern Underwriters Association and local boards on outside brokers resinded. Page 6

Use and occupancy cover discussed by Frank L. Erion before Cook County Field Club. Page 5

The annual meeting of the **Eastern Underwriters Association** will be held in New York City Dec. 16. Page 12

Testimonial dinner is given to **Edson S. Lott**, chairman of the board United States Casualty, on his 73rd birthday anniversary. Page 23

Settlement of dispute over proposed **casualty agency contract** announced by W. H. Bennett, secretary National Association of Insurance Agents. Page 24

Broad Authority of Illinois Insurance Director Viewed

Chicago Lawyers Club Hears Northwestern University Law Faculty Man on Subject

The broad powers granted the director of insurance under the new insurance code of Illinois were pointed out by H. C. Havighurst of the law faculty of Northwestern University in a paper on the code read before the Chicago Life Insurance Lawyers Club. These powers, Mr. Havighurst stated, have been the basis of some criticism by companies because in the future an incompetent, politically-minded or corrupt director might abuse his authority. This criticism, together with doubts as to constitutionality of certain powers conferred, resulted in a number of provisions being cut down or hemmed with safeguards before the code was passed.

Power of Director

As the code stands, according to Mr. Havighurst, the director may pass on policy forms to determine whether they contain inconsistent, ambiguous or misleading clauses; examine persons or firms promoting insurance companies, holding their shares for the purpose of controlling the management or holding exclusive agency contracts; determine whether the investments of foreign or alien companies afford the required degree of financial security; examine officers of a company, under penalty of liquidation of a domestic company or revocation of license of a foreign company; pass on motor vehicle and fire insurance rates and make rules and regulations for making the insurance laws effective.

He has the sole power to approve exclusive agency contracts, may subpoena witnesses for examinations, investigations and hearings and has broad investigating power. This is balanced to some extent by requirements for hearings in many cases where a hearing was formerly only a privilege. All orders and decisions of the director are review-

(CONTINUED ON PAGE 21)

Companies of midwest invited to settle in state of Washington by Commissioner Sullivan. Page 6

Commissioner Carpenter of California in an address before agents at Hollywood calls attention to the **housecleaning** which has been done in California insurance-wise. Page 5

Luncheon will be given in honor of the **insurance commissioners** at the mid-year meeting in New York City. Page 10

Detailed program for the annual meeting of the **Illinois Association of Insurance Agents** is given. Page 4

New York insurance code hearings will be resumed Nov. 15. Page 25

E. A. St. John, vice-president National Surety, is dead. Page 23

Much confusion arises over the Illinois department ruling **outlawing occupational rating** for automobile liability insurance. Page 23

Accident insurance essential if agent or broker is to make himself a real insurance adviser to his clients, E. H. O'Connor, United States Casualty, declares in Chicago address. Page 25

Annual meeting of the **National Council on Compensation Insurance** will be held Dec. 2. Page 30

Hal Harvard, San Jose, local agent, talks on financial insurance at California Association of Insurance Agents meeting. Page 37

Angelus Indemnity taken over for liquidation by California department. Page 32

Personal Holding Company Tax Hits Some Carriers

Capitalists Have Been Interested in the Possibility of Investing in Insurance

Wealthy operators who have looked into the possibilities of forming insurance companies as a means of escaping the federal undistributed profits tax run afoul of some obstacles. It is not by any means a matter of saying presto change and turning investment trusts into tax exempt insurers.

The treasury department is ruling that an insurance company, the majority of whose stock is held by five or less individuals and at least 20 percent of whose profits does not come from underwriting operations, falls in the personal holding company class so far as federal taxation is concerned and does not enjoy the usual insurance exemption.

Defines Personal Holding Company

Although the federal statute does not refer to insurance companies, it defines a personal holding company as one that is owned in its majority by five or less individuals and which gets 80 percent or more of its profit from investments. The treasury department, as a practical matter, is applying that statute to insurance companies. It does no good to spread the stock among different members of a family in order to increase the number of majority stockholders. The family is held to be a unit.

It would be very difficult for a new insurance company to get 20 percent or more of its profit from underwriting operations.

At one time, soon after the undistributed profits tax law was enacted, considerable discussion was heard as to the possibility of investment trusts and wealthy individuals converting their holdings into insurance company portfolios in order to escape the tax, but the federal restrictions are quite a deterrent.

There have been a number of men in the promoting field who have made the rounds endeavoring to ascertain whether insurance companies of any character can be bought. Many of them claim to represent eastern sources of unlimited capital. The persons seeking information about companies say that their clients desire to buy a fairly large company or a number of small ones and have them combined. They do not seem to care whether they are fires, casualty or life institutions. The supposition is that there may be capital in the east that is seeking some form of investment where the effect of the federal tax is not so vehement. Insurance companies are exempt from the tax on undivided profits. So far nothing seems to have materialized from these visits. It is natural to suppose that capital is seeking a channel where its profits will not be shorn so closely as in most lines of business. Insurance at this time might seem a very attractive field.

Will Meet in Syracuse

The Federation of Mutual Insurance Companies will hold its 1938 convention at the Syracuse Hotel, Syracuse, N. Y. The board of directors of the central organization of cooperative fire insurance companies of New York met in Syracuse last week to begin planning for the event. Dates have not been set.

Expect N. J. Commissioner Change

Commissioner C. K. Withers of New Jersey has been elected a director of the Lincoln National Bank of Newark, and is expected to be made president some time before his retirement as head of the New Jersey department. He succeeded as commissioner Col. W. H. Kelly, who is quite generally expected to return to that post under A. Harry Moore, just elected governor.

California Freed of Buccaneers in Insurance Field

Commissioner Carpenter Points with Pride to Work Done in Recent Days

HOLLYWOOD, CAL.—Declaring that "the citizens of this state must be able to deal in insurance with the utmost confidence and faith, and people of other states must look upon our California insurance companies as examples of the finest in protection and usefulness and service," Commissioner S. L. Carpenter, speaking at the annual convention of the California Association of Insurance Agents, reiterated his determination to see to it that the insurance business is respected and respectable in the eyes of the public.

"When I took office some two years ago," he said, "a list of dead beat insurance companies (mostly life) was published by the Business Men's Association of Rochester, N. Y. Nearly 50 percent of that list bore California addresses. If they do not republish that list pretty soon I am going to request them to do so, for the shame which was California's has disappeared or if not entirely out of sight, I pledge you it soon will be."

Insurance Crooks in Jails

"Several insurance crooks now grace our best jails, others have departed for greener and more attractive pastures. To me the air seems cleaner, and the air conditioner is still working."

"Two years ago I told you that we would have to fight for those ideals we sought. I told you that I would be attacked in various and sundry ways by those seeking special privilege and those not in sympathy with our ambitions. Was I right? You have seen me charged of dishonesty, of conspiracy, of almost everything that is bad. You have seen the courts besieged to declare me ineligible for office. You have seen charges against the attorney general, who has stood behind me like a rock, you have seen judges reviled and insulted because of decisions made in our favor, you have seen honest men who are giving of their time and effort, in many instances without pay, called brigands, conspirators and other vile names. Everyone who agrees with us must stand this abuse. Even legislative committees who, after honest investigation, could not carry out the wishes of certain influential politicians have been subjected to political spankings and personal revilement."

Pacific Mutual Reorganization

"Has it been worth the price? I will say it has, both to me and to the insurance interests of California. The National Association of Insurance Commissioners passed a resolution recommending our Pacific Mutual Life plan as the finest example of life insurance reorganization in the history of the business." That the Pacific Mutual reorganization took so much time and thus forced suspension of plans he had for the betterment of evils in the production end of the business, was a source of disappointment to him, said Commissioner Carpenter, expressing himself as being in accord with the agents' efforts to raise the standards of the business. "I trust," he said, "that coming months will permit the fruition of this work."

"You are the ones who stand between the insurance carrier and the public," said the commissioner. "John Citizen may never have any impression of the insurance business other than that which

Estimate Loss to Insurers from Market Crash Ranges from 20-30 Percent

BY LEVERING CARTWRIGHT

NEW YORK—The recent crash in the securities market melted from 20 to 30 percent from the values of stocks and bonds held by insurers. That is a rough estimate, based on inquiries among a few offices. The average decline in the values of insurance company portfolios is less than the average market decline because of the preferred character of insurance company investments.

Bond Values Down

Bond values have been tumbling along with stocks. If the statement were being made up as of today, it would be the exceptional company that would be able to show bond values on a market basis in excess of bond values on a convention or amortized basis. For the past two or three years, the market value of bonds in most insurers has been greater than the amortized value.

If the markets do not fluctuate materially, the assets and surplus of most companies will probably be somewhat below the figures as of Dec. 31, 1935. So far as can be determined the declines have been nowhere near so extensive as to cause the slightest embarrassment. In the past two years the value of securities has been increasing at a rate far in excess of the rate of increase in premium writings, so the liabilities even with the decline in assets are not such as to put a strain on surplus.

Effect on the Public

The Dow-Jones averages which are now in the neighborhood of 125 are about the same as the averages that existed in July, 1935. In December, 1935 the averages had risen to 145.

Some observers believe that these reductions in surplus on account of the market crash will silence any renewal of demand from the public and the authorities for rate decreases. The recurrence of such demand might have been expected had the year closed with further gains in securities values on top of another period of exceptionally good underwriting results.

So far as can be learned the manage-

Functions of U. & O. Are Told

Earnings Replacement Discussed at Cook County Field Club Meeting in Chicago

Use and occupancy is job insurance for the manager of a factory or other business that would lose earnings because of a fire, said Frank L. Erion, Chicago adjuster, in a talk to the Cook County Field Club, Chicago. It pays the manager of a business to recommend to stockholders either to buy U. & O. or present the proposal to the directors.

So long as the dividends continue, Mr. Erion said, directors do not ask embarrassing questions, but when the dividends stop they wonder why. The moderate amount of premium for such insurance generally, he said, could be easily justified by the managers and would not cause a flurry during an audit. But no auditor would be required to find the item of lost profit when a fire occurred. Failure to have covered such a contingency easily might cost the manager his job and in some individual cases has done so.

Man Loses Job

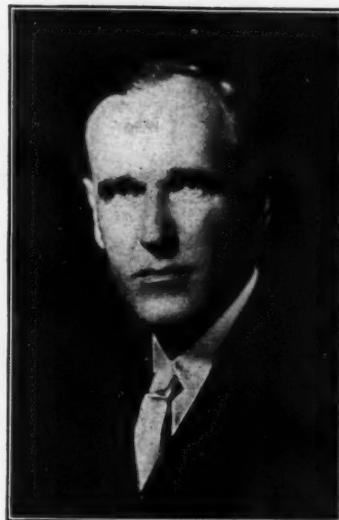
Mr. Erion cited a Chicago case in which prior to a disastrous fire he counseled the manager to put himself on record with the directors in favor of U. & O. The man failed to do so, fire occurred and the man lost his job.

Garages with large storage trade in residential areas greatly need U. & O., Mr. Erion said. They stand to lose large profits in case of fire. This is a possibility that has not fully been developed by producers.

Mr. Erion said a trend of recent years strongly reflected in U. & O. losses is the manufacture of an article after it has been sold rather than before. He said the day has passed when a manufacturer would make a big stock of goods and then hope he could sell it. He said it is practically always the practice in

ment of no company anticipated this break in the market to the extent of unloading extensively beforehand. It is a safe assumption that had any company had such prescience and converted this foreknowledge into action, the story would be known.

S. E. U. A. Fall Meeting



PAUL B. SOMMERS, Newark
President



J. H. HINES, Atlanta
Executive Committee Chairman

PINEHURST, N. C., Nov. 10.—The Southeastern Underwriters Association is holding its fall meeting here this week. The executive committee met Saturday and also Monday and Tuesday. The regular session was held today. Paul B. Sommers, vice-president of the Ameri-

can, is president of the S. E. U. A. and J. H. Hines of Crum & Forster, Atlanta, is chairman of the executive committee. There are 17 members on the committee. There was a meeting of the Cotton Insurance Association during the week and state sub-committees had meetings.

case of woolen goods. The time required to replace such goods so that normal operations can proceed is a greater factor. This is true of all imported goods as well.

Mr. Erion also predicted that in time the reporting U. & O. form would be used to cover mercantile risks and also possibly manufacturing risks to which the agreed amount form is not readily applicable. He said for a number of years he has been advocating the reporting U. & O. form to no effect. It would require some additional bookkeeping, he said, and this is a complication due to the lack of uniformity in accounting methods. The companies, he said, see the possibility of some loss of premium income unless they would audit assured's accounts carefully. However, Mr. Erion said, the form has decided advantages.

Use and occupancy insurance pays the whole loss of earnings during the time necessary to restore the properties and so far as that period is concerned, the business interruption will not affect insured's annual statement. Business is conducted to produce earnings and the same reasons for insuring physical properties also pertain to insurance of earnings, he said.

U & O. is in reality business accident insurance. Although the nature of accidents for which liability is assumed is limited there are but few, if any, that cannot be insured under the various forms available.

The broadest policy is the fire form to which is attached extended coverage which includes loss caused by wind-storm, cyclone, tornado, hail, explosion (other than that caused by explosion originating within steam boilers, pipes, fly-wheels, engines and machinery connected therewith and operated thereby), riot, air craft, self-propelled vehicles and smoke.

This fire insurance policy may also be further extended, at additional premium cost, to cover loss occasioned by fire in

(CONTINUED ON PAGE 37)

Broadened Powers Raise Premium Refund Conflict

NEW YORK—Broadening of New York's law to permit fire and casualty companies to overlap in their writing powers would bring a conflict of practice in respect to refunding unearned premiums in the event of total losses. Fire companies, in such cases, consider that the entire premium has been earned in the event of a total loss, no matter what point during the policy year it occurs. Casualty companies however customarily refund pro-rata when liability ends by reason of a loss having completely wiped out the object insured.

Under the usual fire insurance policies there is nothing to indicate whether premiums are or are not to be returned ratably in the event of a total loss.

Plan Ohio B. D. Meeting

Wallace Rodgers, assistant secretary Western Underwriters Association, Chicago, conferred with members of the executive committee and the district chairmen of the Business Development group in Columbus. Plans for carrying on the campaign in the state were worked out, with W. J. Gilsdorf, North America, state chairman, presiding.

There are 23 districts in the state. Plans are going ahead for a meeting in Cleveland, and there will be meetings in Springfield and Chillicothe, the date for the latter being Dec. 2. T. M. Goodloe, state agent North America, is chairman of the Springfield meeting and L. E. Heller, Providence Washington, of the meeting at Chillicothe.

(CONTINUED ON PAGE 16)

Loss Problems Discussed By Mutual Managers

Inland Marine Adjustments Are Reviewed by A. T. Persson of Chicago—Other Speakers

CLEVELAND.—Current adjustment problems in fire and allied lines proved the outstanding topic of discussion at the annual Loss Managers Conference of the fire companies comprising the American Mutual Alliance. More than 50 loss executives were present.

The keynote was struck in the opening address of L. G. Purnort, secretary Central Manufacturers Mutual of Van Wert, O., who was recently elected president of the Federation of Mutual Fire Insurance Companies. He stressed the need for increased cooperation between companies and adjusters in the matter of loss adjustment. He discussed likewise the advantages of the standard automobile policy now used by most of the large mutual companies.

A. T. Persson a Speaker

Among the most interesting of the addresses were those of A. T. Persson, Chicago manager of Toplis & Harding, on inland marine adjustments, and Dr. R. C. Steinmetz, chief investigator for the Mutual Fire Prevention Bureau, Chicago, on investigation of incendiary fires.

"No good fire adjuster," Mr. Persson stated, "should feel at all concerned over having to adjust inland marine losses, even though many of them feel that this requires intensive special training. Save for the fact that evidence of loss is sometimes more difficult to find than in the case of fire, inland marine adjustments do not present the difficulties that fire losses do. The difficulties in handling inland marine, in my opinion, fall upon the underwriter rather than upon the adjuster."

He held that increased regulation is gradually improving the highway cargo situation, and with hijacking being cut by stricter enforcement, and poor equipment gradually being retired, continued improvement in the line as an insurance risk is to be looked for.

Dr. Steinmetz on Suspicious Losses

Dr. Steinmetz discussed the part of the adjuster in the investigation of suspicious fires, and stressed the necessity for promptness in a careful survey of the several points which furnish the standard clues as to whether a loss is to be investigated further. He pointed out that it is not always enough to determine that the assured did not profit by collecting the insurance on his fire, for the problem of the pyromaniac who burns the property of others without financial incentive is a growing one, and one which the insurance companies must attempt to combat just as they have fought the arsonist who tries to "sell his property to the insurance companies."

A. D. Jones, Oklahoma City, secretary of the United Adjustment & Inspection Co., called attention to the need for keeping independent adjusters up to date on all insurance developments, and recommended the Loss Managers Conference as the logical organization to undertake such a task. "The independent fire adjuster today," he asserted, "is not a part of any education program. He should be. He should receive copies of all new forms as soon as they are issued, in order to permit himself to familiarize himself with their provisions in advance of a loss, and he should be given more of the general information as to the origins of fire that is being developed by the company organizations."

Other speakers were: F. J. Pfiffner, vice-president Hardware Dealers Mutual Fire, Stevens Point, Wis., who discussed cancellation by loss, and practice in partial losses; G. W. Brown, of counsel for the American Mutual Alliance,

School Child Is Saved by "Smoky" Rogers' Instructions

Striking evidence of the importance of the lessons in fire safety taught school children during the presentation of his "fire clown" act by Chief H. K. Rogers of the Western Actuarial Bureau has been received from Parkersburg, W. Va., where the knowledge she unconsciously absorbed while watching the act saved one of the pupils from serious burns, if not from death. As is his custom, "Smoky" pointed out to his juvenile audience that should the clothing of any of them catch fire from any cause, he or she should immediately drop to the ground and roll over and over until the blaze is extinguished. The wig worn by Edith Everett, a grade school pupil, who was celebrating Hallowe'en with a number of other children, caught fire from a lighted candle in the hands of one of the boys in the party. She jerked off the wig and dropped to the ground, as stated above, and escaped with painful but not serious burns about her ears and throat.

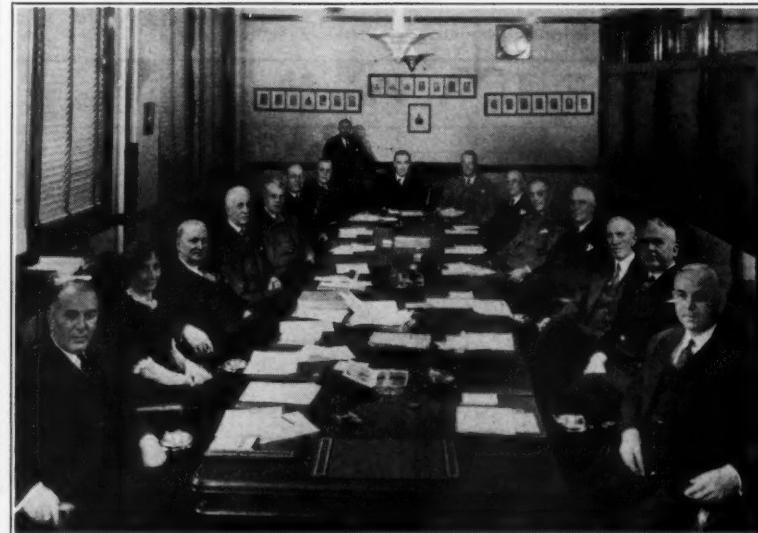
Chief Rogers also practices what he preaches. Last Monday he led 200 volunteers in fighting a serious forest and brush fire near Hopkinsville, Ky., where he was giving a talk.

on the loss problem as an aspect of insurance supervision; J. J. McLaughlin, loss manager United Mutual Fire of Boston, who presented the report of the committee on non-concurrent apportionments, of which he was last year named chairman.

Round table discussions were held on use and occupancy adjustments, rental value and leasehold adjustments, supplemental contracts and comprehensive automobile policies.

The regular monthly meeting of the Insurance Women's Club of Oklahoma City was supplemented by a Hallowe'en party at the country home of Reta Maloy.

Meeting Quarters Enlarged



The governing committee's assembly room at the office of the Western Underwriters Association has been enlarged until it is now very imposing. Adjoining this meeting room in the Insurance Exchange there is a smaller committee room. At a recent meeting a photograph was taken of the committee men, all being present except Fred M. Gund of Crum & Foster. Those left to right around the table are Ivan Escott, vice-president Home of New York; Miss Mabel Laycock, private secretary; Charles F. Thomas, secretary; John C. Harding, vice-president Springfield F. & M., chairman; C. H. Smith, associate general

Maine Agents Seek Action on the Outside Brokers

Want Agreement Between Eastern Underwriters Association and Local Boards Rescinded

NEW YORK.—Earnest attention is being given by the Eastern Underwriters Association to the appeal of the Maine Insurance Agents Association that the present regulation of the governing body as to the payment of brokerage to outside brokers on risks located in Maine be abrogated and action will be taken at an early date. At the recent annual meeting of the Maine agents' association the question of brokerages was animatedly discussed, resulting in the adoption of a resolution which urged in part:

"That the present agreement between the Eastern Underwriters Association and the local boards be rescinded entirely, and that the E. U. A. recognize the Maine Association of Insurance Agents as the sole agency representative to negotiate rules and agreements pertaining to the question of allowance of commissions to out-of-state brokers on premiums arising on property insured in member companies of the E. U. A. located within the state."

A rule of the E. U. A. provides that brokerages may be determined by local boards, provided membership is truly representative of the agents of the community, both as to character and volume of business written; that the rule be reasonable and capable of home enforcement. In keeping with this broad stipulation the association has from time to time sanctioned brokerage regulations of a number of important local boards in various sections of the eastern jurisdiction.

The American of Newark has presented a gold medal to E. F. Huncker, Jr., St. Charles, Mo., who has represented the company for 25 years.

Washington Commissioner in Invitation to Companies

Tells Seattle Lawyers New Code Has Advantages for Carriers Seeking Place of Domicile

SEATTLE.—A frank invitation to middle western insurance companies to emigrate to Washington was delivered by Commissioner W. A. Sullivan in an address before the Seattle Bar Association on the Washington insurance code. His talk dealt mostly with four amendments to the code passed by the last legislature: reduction in premium tax on domestic companies, agents' qualification law, strengthening requirements for reciprocals, and divorce of holding companies from mutual life companies.

The tax on insurance premiums of domestic companies was reduced from $\frac{3}{4}$ percent to 1 percent. Mr. Sullivan stated the object of the tax was originally to finance cost of the insurance department. The insurance business has grown and the tax with it far out of line with the original intent, the insurance department being allotted only 6 percent of the proceeds for operating expenses.

Termed Not Tax Hungry

This reduction, declared Mr. Sullivan, shows the state of Washington is not hungry for taxes and also in contrast to other states which seek to raise insurance taxes for additional revenue, will welcome companies now domiciled in the "drought area of the middle west."

The new agents qualification law requires a written examination of each applicant for an agent's license. Additional requirements will undoubtedly be imposed in future, Mr. Sullivan expects. The announced intention of the department is to raise the standard of insurance to as high a mark as possible and as quickly as reasonably can be accomplished.

Washington, he said, is one of the first states to adopt such a law and many states are preparing to follow its lead.

The new reciprocal law strengthens requirements of reciprocal exchanges by providing that a new organization must have, over and above all liabilities, \$100,000 in securities approved by the department. At the same time, the old law imposing unlimited liability on solvent Washington subscribers for debts of the exchange was repealed.

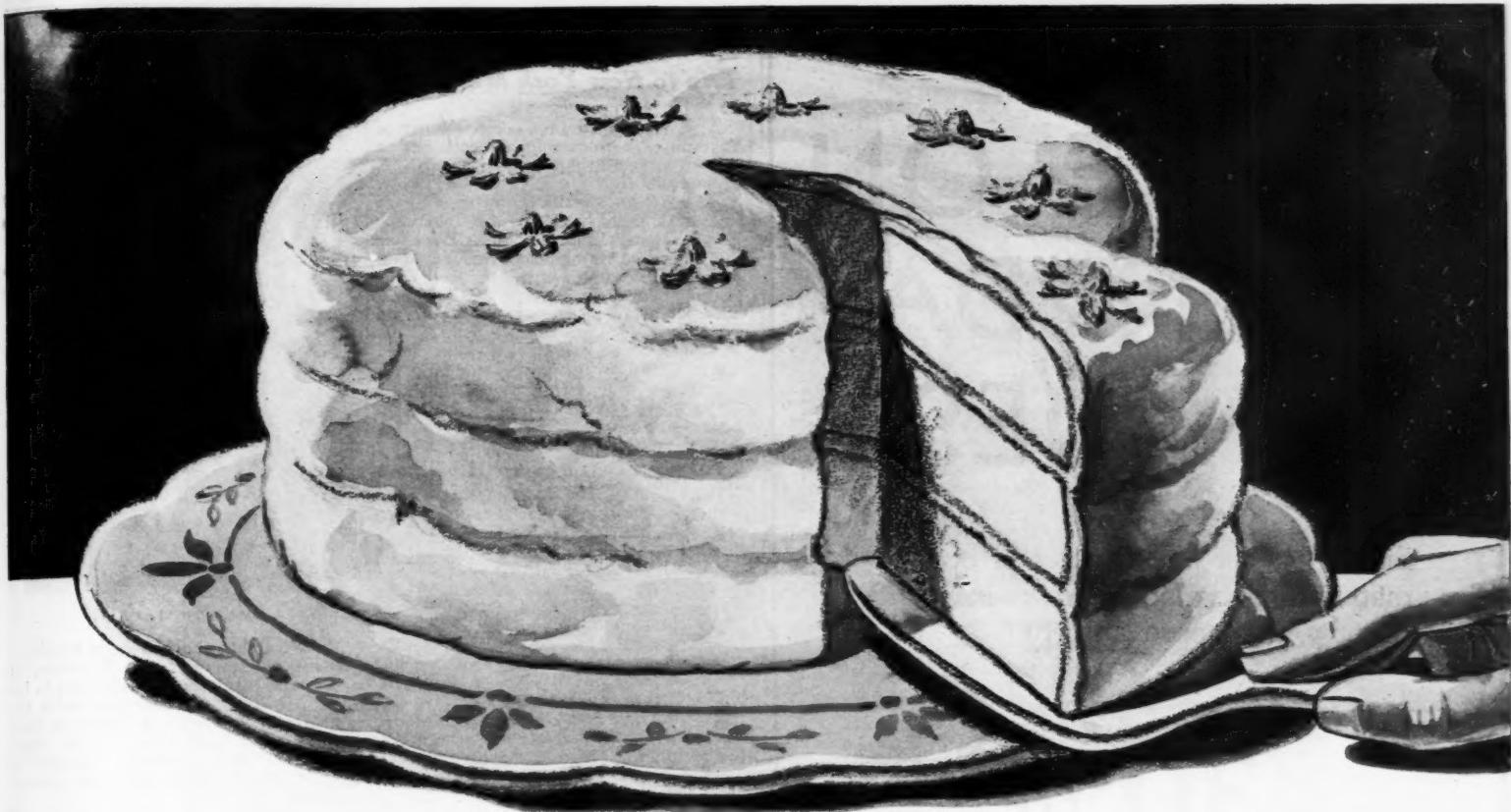
Provision for Safety

The contingent liability of subscribers has been set at from one to five times the premium deposit. The old law, Mr. Sullivan stated worked a hardship on Washington subscribers, since nearly all other states provided for a limited contingent liability. Under those conditions, a Washington subscriber could be liable for his entire personal assets, whereas a subscriber to the same reciprocal exchange in another state might be liable only for one additional premium.

Recalling former Governor Landon's radio speech, in which he pointed to the New York insurance code enacted after the Armstrong investigation of 1905-06, as well considered and ideal legislation, Mr. Sullivan reminded his audience that the Washington code, passed in 1911, was modeled on the New York laws. The code, he declared, is one of the best in the country and the high standing of companies domiciled in Washington is adequate proof of this. One of its best features, according to him, is that an annual examination is mandatory as regards domestic companies, but the expense is borne by the department and not by the insurance company.

Consolidate Los Angeles Office

Los Angeles offices of the companies in the Meserole group have been consolidated in new and larger quarters in the Board of Trade building, 111 West Seventh street.



are You getting Your Slice?

Of the millions of dollars in insurance premiums produced throughout the Chicago area, about 90 percent are written by offices housed in the Insurance Exchange Building.

Competition today is keen and you must make it easy for producers to come to your office. Why do you go to the corner drug store instead of one blocks away? Convenience . . . sure! Producers want the same convenience in placing their business and they inevitably must come to the Insurance Exchange.

You lose many dollars of premium income each month . . . each week . . . each day if your office is not located with other aggressive, leading insurance offices in the Chicago Insurance Exchange. Secure these dollars for your organization.

Lease space at 175 West Jackson Boulevard, Chicago. There's extra satisfaction, value and prestige for your company, agency or other insurance connection if you are in the midst of Chicago's insurance activity.

Complete Rental Information given on request. Simply write E. W. Rinder, Manager.

INSURANCE EXCHANGE BUILDING
175 WEST JACKSON BLVD.

E. W. RINDER, Manager

Chicago

R. C. SWANSON, Asst. Manager

INSURE ON PRESENT DAY VALUES

Since 1933 the average cost of building materials and labor have increased country-wide approximately

30%

Fire Association of Philadelphia

ESTABLISHED 1817

Lumbermen's Insurance Company

ESTABLISHED 1873

The Reliance Insurance Company

ESTABLISHED 1841

Philadelphia National Insurance Company

**Head Office, 401 Walnut Street
Philadelphia**

**OLD LINE STOCK FIRE, MARINE AND
AUTOMOBILE INSURANCE**

Commissioner Ham Plans Special Facilities for Trip to New York Meeting

A. J. Ham, insurance commissioner of Wyoming, is promoting a special car or cars to leave Chicago at 2:45 p. m. Nov. 27, via the New York Central for New York City for the mid-year meeting of the National Association of Insurance Commissioners. Commissioner Ham has written to the various commissioners and company executives in the far west suggesting that they converge at Cheyenne, Nov. 26, leaving there at 8:20 a. m., arriving in Chicago at 8:42 a. m., Nov. 27. The Union Pacific and New York Central are cooperating in arranging for the trip. In this way there will be a through car from Cheyenne direct to New York City.

Carpenter Disapproves the Plan

LOS ANGELES—Commissioner Carpenter of California has disapproved a plan submitted by Marsh & McLennan, holding that no part of a premium or commission can be paid to any association or employee for the purpose of defraying expenses for another purpose. The firm sought insurance on automobiles of the members of the Los Angeles department of water and power. The premiums amount to \$150,000 annually. The department maintains a paid secretary, who under the Marsh & McLennan plan would receive 7½ percent of the premiums for his work in collection. The fire and theft insurance on the 8,000 employees is scattered among many companies not at regular rates. The property damage and public liability have been written at 25 percent less than manual. In their proposition Marsh & McLennan had offered to reduce the regular fire, theft and collision rates 25 percent.

Tennessee Mutual Meeting

The Tennessee Association of Mutual Insurance Agents will meet at the Hotel Farragut in Knoxville Nov. 15. Harry Faw of Johnson City is president and J. S. Kirkpatrick of Nashville is secretary of the organization.

Will Probe Auto Losses

On request of company members, the National Board will now investigate serious automobile as well as fire losses. The expense of such special service, plus a reasonable overhead, will be charged the company or companies making the request.

Inspect St. Charles, Mo.

ST. CHARLES, MO.—The Missouri Fire Prevention Association conducted a town inspection here for two days, President Thomas Kingsley, Travelers Fire, being in general charge. Ground work was laid by C. H. Mahn, state agent Springfield F. & M. There were 34 field men at work, garbed in tan coats that served a threefold purpose, giving them uniform appearance, publicity value, and protecting their clothes while checking basements.

H. K. Rogers, Western Actuarial Bureau, gave his fire clown act and addressed a luncheon meeting.

There was a get-together dinner for field men, agents and fire department men.

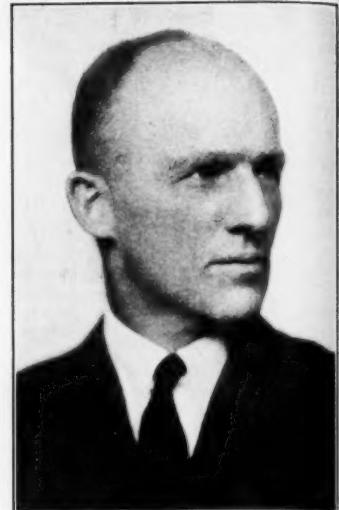
Independent Adjusters Meet

DES MOINES—Independent adjusters met here for the purpose of organizing an Iowa association. The following officers were elected: Howard E. Kopf, Davenport, president; George Marolf, Mason City, vice-president; and J. Lee Hill, Des Moines, secretary and treasurer.

Robertson Now Receiver

KANSAS CITY.—Judge Southern of the circuit court has named Commissioner Robertson of Missouri receiver

General Counsel



FRANCIS W. COLE

F. W. Cole, who has been appointed general counsel for the Travelers, is one of the distinguished attorneys in his city. He has been connected with the law firm of Robinson & Robinson since 1908 and has been a member for many years. It has represented a number of the Hartford companies as general counsel.

for the Manufacturing Lumbermen's Underwriters, replacing R. E. O'Malley, deposed superintendent. Judge Southern ordered an accounting and a report from Mr. O'Malley covering the receivership to date.

Indiana Local Agents Meeting

Plans have been completed for the annual meeting of the Indiana Association of Insurance Agents to be held at the Indianapolis Athletic Club next Monday and Tuesday. During the morning and afternoon agents will contact their field men either at the club or in their offices. The directors will meet at 4 p. m. The main convention will be Tuesday with D. H. Swadener, Mishawaka, in charge. Secretary W. H. Bennett will be the main speaker at the convention.

To Entertain Chicago Staff

Members of the Chicago staff of the Home of New York and its affiliates will be entertained by President Harold V. Smith with a dinner-dance at the Drake Hotel the evening of Nov. 18.

National Board's "Ad" Campaign

Starting with the November issue of seven national magazines and continuing five months, the National Board will conduct an advertising campaign, featuring the public service rendered by capital stock fire companies, not alone through the medium of the National Board but by "affiliated organizations, company home office and field forces and by local agents." The first double spread will be captioned "And All Is Well."

Veteran Fire Skipper Dead

John J. Falvey, Chicago, general agent Continental Casualty, is bereaved by the death of his father, Patrick J., a retired fire captain who served more than 45 years in the Chicago department. At the time of his death he was the oldest living member in point of service, joining Nov. 15, 1880.

Mr. Falvey died Nov. 3 at the age of 81, terminating a long and distinguished career in the annals of the city's fire fighting history. He was captain of the "Yosemite," a fire boat on the Chicago river for 19 years. He could list many prominent public officials among his friends and acquaintances.

PUBLIC ENEMY NO. 1... FIRE!



Fire, controlled, is man's diligent servant, gently warming the home and turning the mighty wheels of industry. Fire, unchained, is a demon of destruction.

Today and every day the demon fire will drive shivering families out into the cold, will gloat over misery and despair and will dance around the flaming pyre of cherished hopes, ambitions and treasures.

Ravaging fire will stalk the land, demanding and collecting a toll of thousands of human lives and untold millions of property values.

Insurance can replace property loss, but only tireless and intelligent application of every known safeguard will chain the demon to the task of serving mankind.

COMMON ENEMIES TO GUARD AGAINST

- | | |
|------------------------|-----------------------------|
| 1. FIRE | 9. LIGHTNING |
| 2. MOTOR ACCIDENT | 10. MARINE DISASTER |
| 3. WINDSTORM & TORNADO | 11. RAILROAD WRECK |
| 4. PERSONAL ACCIDENT | 12. FALLING AIRCRAFT |
| 5. SICKNESS | 13. EXPLOSION |
| 6. DAMAGE CLAIMS | 14. RIOT OR CIVIL COMMOTION |
| 7. BURGLARY | 15. EARTHQUAKE |
| 8. ROBBERY | 16. FORGERY |
| 17. DISHONESTY | |

LOYALTY GROUP

Fremont's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Guard Fire & Marine Insurance Co. ORGANIZED 1853

The Mechanics Insurance Co. of Philadelphia " 1854

Superior Fire Insurance Company " 1871

The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852

National-Ben Franklin Fire Insurance Co. " 1866

The Concordia Fire Insurance Co. of Milwaukee " 1870

Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT
844 Rush Street, Chicago, Illinois

CANADIAN DEPARTMENT
461 Bay Street, Toronto, Canada

HOME OFFICE

and

EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT

220 Bush Street, San Francisco, Cal.

SOUTHWESTERN DEPT.

912 Commerce Street, Dallas, Texas

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SEIBELS HONORED AS INVENTOR

E. G. Seibels, manager Cotton Fire & Marine Underwriters, was presented with a plaque by the Globe-Wernicke Co. for his invention of the vertical method of filing. A predecessor of the Globe-Wernicke Co. built the first vertical filing cabinet for Mr. Seibels in 1898. Mr. Seibels did not patent the cabinet because patents were not issued on ideas and did not share in the profit of the millions of cabinets sold.

Plans are being made to exhibit the original cabinet, as one of the outstanding devices that revolutionized office procedure, at a business equipment show. If documentary evidence can be obtained proving it an original, it will be offered to the Smithsonian Institute.

OIL BURNING EQUIPMENT

The National Fire Protection Association has brought out a new edition of the pamphlet containing suggested ordinance regulating oil burning equipments and the suggested ordinance regulating stove or range oil burners. It incorporates the amendments recommended by the N.F.P.A. committee on flammable liquids.

NAMED ASSISTANT MANAGERS

Hugo E. Guerrini and L. C. Irvine have been appointed assistant managers of the American Foreign Insurance Association.

Mr. Guerrini, formerly manager for Continental Europe, will have England, North Africa and the near east added to his territory with headquarters continued in Paris, France. Mr. Irvine will make his headquarters in the New York office. Mr. Guerrini has been with the A.F.I.A. for 17 years and has traveled in numerous European and near eastern

countries. Prior to joining the organization in 1920, he had been with the Groover agency in Jacksonville, Fla., later becoming assistant manager of the Delaware Underwriters at Philadelphia.

Mr. Irvine was with the Central Railroad of Georgia before joining the organization in 1925. He was sent to Brazil in 1926 as assistant manager. In 1935 he returned to New York, starting on an around the world trip on association business.

Announcement was also made that Arthur R. Porter, connected with the life department at Shanghai, China, will spend several months in Egypt installing a life department in Cairo. The life insurance business of the A.F.I.A. is handled through the Confederation Life.

RAIN & HAIL BUREAU MEETS

The annual meeting of the Rain & Hail Insurance Bureau was held in New York, with representatives from the headquarters staff in Chicago and from the three company members of the syndicate attending. W. N. Achenbach, western manager Aetna Fire, who has served as chairman during the year, presided. From the headquarters staff were J. B. Cullison, Jr., and S. K. Bjornson. The new chairman is W. P. Robertson, general manager western department North America. John C. Harding, vice-president Springfield Fire & Marine, is secretary.

LUNCHEON FOR COMMISSIONERS

As members of a committee to arrange a luncheon for the insurance commissioners in attendance at the meeting of the National Association of Insurance Commissioners here Nov. 29-Dec. 1, Superintendent L. H. Pink has appointed C. W. Fairchild, Association of Casualty & Surety Executives, chairman; J. S.

Phillips, Great American Indemnity; C. G. Taylor, Jr., vice-president Metropolitan Life; W. H. Pierson, vice-president New York Life; R. D. Murphy, vice-president Equitable Life; Col. H. P. Dunham, vice-president American Surety, and A. N. Butler, vice-president Corroon & Reynolds, who will serve as secretary.

Messrs. Fairchild, Phillips and Dunham are all former commissioners, Mr. Fairchild in Colorado, Mr. Phillips in New York and Colonel Dunham in Connecticut. Each in turn was president of the National Convention of Insurance Commissioners, Mr. Phillips holding the office in 1917, Mr. Fairchild two years later and Colonel Dunham in 1929. Mr. Butler was head of the fire division of the New York department for a number of years before accepting his present connection.

Mr. Pink is chairman of the executive committee of the commissioners' organization and a member of other of its important committees. The luncheon will be at the Hotel Pennsylvania, probably Nov. 30.

WERNER HEAD OF KENNY AGENCY

Charles F. Werner is now president of the E. A. Kenny agency, New York City. He was formerly a member of C. W. Ryan agency for 15 years. He has been in the metropolitan field for 20 years.

GENERAL MANAGER ON VISIT

Alexander MacDonald, general manager of the Royal Exchange Assurance, arrived from London in the "Aquitania" Tuesday for a visit to the United States branch in New York.

PREVENTING TANK FAILURES

Emphasizing the importance of careful maintenance of steel tank supporting structures, a bulletin entitled "Elevated Tank Failure" has been released by the committee on fire prevention and engineering standards of the National Board.

It describes the recent failure of a 10,000-gallon wooden gravity sprinkler

tank, elevated 20 feet above the roof of a six-story building of brick joisted construction in Brooklyn, which fell without warning and crashed through the roof and the sixth, fifth, fourth and third floors of the building. The tank collapsed as it fell and dumped its water contents into the building.

NORTH BRITISH ANNIVERSARY

The present year marks the 128th anniversary of the founding of the North British (now the North British & Mercantile) Insurance Co., which began business Nov. 11, 1809. Under successively able management the corporation is now represented in most of the countries of the world. It entered the United States in 1866, since which time it has paid loss claimants in this country close to \$149,000,000. In addition to the parent corporation its subsidiary enterprises here are the Pennsylvania, Commonwealth, Mercantile, Homeland and Ocean Marine.

TERM OF SUPERINTENDENT

The electorate in New York approved the constitutional amendment extending from two to four years the terms of office of the governor, lieutenant governor, comptroller and attorney general, the change to become operative following election next year. The present insurance law stipulates the superintendent of insurance shall hold office during the term of the governor by whom he was appointed, so under the amendment the office period will be four years instead of two, as has been the case for the past 10 years.

The New York department, in addition to the superintendent, has five regular deputies, all but one of whom are named by the superintendent, one officer coming under civil service regulation. Of the regular deputies, two are located at Albany and three in New York City. There are as well a number of special deputies designated to take care of particular duties, such as the liquidation or rehabilitation of com-



NORTH STAR INSURANCE COMPANY

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO



This month's North America national advertising again reminds the property owner that fire is not the only hazard against which he should insure and backs it up by showing what can happen to a building when an automobile or truck "runs away."

In Life Magazine, North America speaks twice, the second message utilizes Fur Insurance, to stress the need of *complete* protection against all insurable causes of financial loss. Both these full page advertisements direct the reader to the North America Agent.

See our advertisement in the November 1 issues
of LIFE and TIME, November 27 issue of BUSI-
NESS WEEK and the November 29 issue of LIFE

INSURANCE COMPANY OF NORTH AMERICA PHILADELPHIA

and the
INDEMNITY INSURANCE CO. of NORTH AMERICA
write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policy Holders, over \$73,000,000

panies taken over by the department, the handling of real estate and the like. These posts, however, are temporary and cease to exist when the conditions that called them into being have been disposed of.

LONDON ASSURANCE VETERANS

For the second time within six weeks the London Assurance has had occasion to honor members of its New York office organization on completion of at least a quarter century of continuous service. B. J. Rabbitt, chief examiner of the New England and Pennsylvania departments, and Edward Fomhoff, head of the statistical department, are the most

recent veterans to be presented with specially inscribed watches by Manager E. W. Nourse. Mr. Rabbitt has been with the London for 30 years. Mr. Fomhoff has completed his 25th year with the company.

KUCHLER WITH JONES & WHITLOCK

Announcement of the association of G. W. Kuchler with Jones & Whitlock in New York City is made by C. A. Siebold, president. The new appointee is widely known to the brokerage and agency fraternity of the country, having had extended experience in the inland marine insurance field. He was with Chubb & Son for over 20 years. The

Jones & Whitlock agency is one of the oldest of its type in the United States, having been established nearly a century ago. It manages the inland marine department of the Globe & Rutgers, American Home and State of Pennsylvania. It also represents several companies in its fire and casualty departments. It maintains a branch office in Chicago.

EASTERN UNDERWRITERS MEETING

The Eastern Underwriters Association will hold its annual meeting at the Waldorf-Astoria here Dec. 16, to be followed by a dinner. The program for the business gathering has not yet been determined, other than the election of officers and the presentation of the report of the important rates committee, of which F. C. Hatfield, vice-president Phoenix, of Hartford, is chairman.

The officers now are: President, W. Ross McCain, president Aetna Fire; vice-presidents, R. R. Martin, manager Atlas, and Montgomery Clark, president Hanover; treasurer, B. M. Culver, president America Fore.

Nominations for official posts are prepared by former presidents, the committee now consisting of R. M. Bissell, president Hartford Fire, chairman; C. F. Shallcross, manager North British & Mercantile; H. V. Smith, president

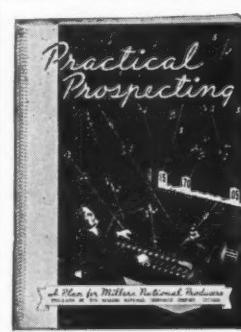
Home, and R. P. Barbour, U. S. manager Northern of London.

Whether Mr. McCain will accept the presidency for another year, of course, will not be known until the slate of the nominating committee is made up. There is no prohibition in the constitution of an incumbent being reelected. In fact, Mr. Bissell, the first president, so served for over two years, while Messrs. Shallcross, Milligan and Barbour were each chosen for second terms.

SUPPLEMENTAL CONTRACT LOSSES

Loss departments are reviewing their claims that have risen under the supplemental contract. They find that companies in writing this form have undoubtedly taken on a larger tornado liability because many assured which have not carried separate tornado indemnity now have it in the supplemental form. There have been numerous losses due to hail storms that are now covered under the contract. There have been a number of claims from explosions due to hot water heaters, heating plants, gasoline stoves, etc. Alert agents have had no difficulty in selling this contract.

Nominations for officers and members of the executive committee of the General Brokers' Association of New York City for the new year will be made at the monthly meeting Nov. 17.



MILLERS NATIONAL INSURANCE CO.

175 WEST JACKSON BLVD. CHICAGO, ILLINOIS

I SHOULD LIKE TO HAVE complete information on PRACTICAL PROSPECTING. Without incurring obligation on my part please arrange to lay this complete sales plan before me.

Name
Address
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DO NOT RETURN THIS COUPON Unless you want more business

By following the easy adaptable plan set forth in PRACTICAL PROSPECTING scores of agents are now stepping up their selling efficiency.

More money is coming into the agency till, more new business is being entered on the books, because their time is more productive. There is no mystery about their methods. Any agent interested in increasing his sales and willing to work can do the same by following the sales procedure set forth in this tested plan.

Successful Agents Say

"We have been waiting for a sales plan like PRACTICAL PROSPECTING for a long time. It's exactly what we want," says L. D. Stitt, secretary and manager Starkweather & Shepley, Inc., member Sprinklered Risk committee Chicago Board of Underwriters, and past chairman Chicago Local Agents Association.

"We have adopted PRACTICAL PROSPECTING in the Lawton-Byrne-Bruner Insurance Agency because it fits

the individual needs of our producers better than any sales plan ever before presented to this agency," says Carl S. Lawton, vice president and general manager of the Lawton-Byrne-Bruner Insurance Agency Company, St. Louis, Mo., chairman Executive Committee Missouri Insurance Council, and past president of the St. Louis Fire Underwriters Association.

"PRACTICAL PROSPECTING is a sure method of increasing premium income. We've tried it and know it works," says Clinton T. Gamwell, co-founder and head of the thirty-three year old Gamwell and Graham Agency, 1612 Industrial Trust Bldg., Providence, R. I.

See for Yourself

If you are interested in increasing your sales . . . if you are disposed to seek good selling ideas and turn those ideas into dollars for yourself, then return the above coupon.

See for yourself how it will help you ring up more sales for your agency.

MILLERS NATIONAL INSURANCE CO.
CHICAGO, ILLINOIS

Unification Move Is Made

J. D. Lester, Globe & Rutgers, and W. F. Watson, American Home, Now Vice-Presidents of Both

To cement more closely the relationship between Globe & Rutgers and American Home, New York, J. D. Lester, vice-president of the former company, has been elected to a like office with the American Home as well, while W. F. Watson, vice-president American Home, in turn assumes a similar post with Globe & Rutgers.

Fred A. Hubbard is president of both institutions, having been selected to head the Globe & Rutgers in November, 1934, and chosen chief executive of the American Home in addition last July. Previously he was widely known as vice-president of the Hanover Fire.

Mr. Lester's first and only business connection has been with the Globe & Rutgers, the service of which he entered in 1911, following his graduation from Williams College. In turn, he was elected assistant secretary, secretary and vice-president, now taking on an additional office with the American Home.

Mr. Watson has been vice-president of the American Home since its formation in 1928, prior to which he was assistant western manager of the Aetna. Earlier he traveled the southwestern and central western fields, gaining underwriting experience on the firing line that proved valuable to him when called to assume an executive office.

Pacific National's Move

LOS ANGELES—Plans are now being completed by the Pacific National Fire for the establishment of a new western department at Chicago with jurisdiction over 17 mid-western states. W. L. Wallace, vice-president, left for the east immediately following the convention of the California Association of Insurance Agents at Hollywood Tuesday and it is expected the new department will be formally opened about Dec. 1.

Net Profit Up

KANSAS CITY.—Net profit of \$231,166 for the first nine months was reported by Western Insurance Securities Company, holding company for Western Fire and Western Casualty & Surety, compared with a net loss of \$8,370 a year ago. Investment income reached

\$110,846, and underwriting profit was \$120,320 for the period. At the end of the first nine months of 1936 the company had an underwriting loss of \$78,000. Premium income of the two companies increased \$700,000 to \$3,581,122.

Wisconsin-Illinois Unit Is Established by Tokio

A department has been established in Chicago by Tokio M. & F. and Standard of New York for supervision and underwriting of business in the Illinois and Wisconsin field with A. J. Couch as manager. Mr. Couch has been Cook county manager for the group and he retains that position as well. He will put on a field man. He has been connected with Tokio 14 years and has made a record. The Cook county department has been producing nearly \$1,000,000 in premiums per year. Arrangements for the new setup were perfected by G. Z. Day, assistant U. S. general agent. It was Mr. Day who started the Cook county department 12 years ago.

Reinsurance Corporation to Enter 22 States in 1938

NEW YORK.—Edwin Stewart, manager of Reinsurance Corporation of New York, announces that in 1938 his company will arrange to be licensed in all states in which it is necessary to be qualified in order to provide admitted reinsurance for ceding companies. Such states number about 22. At present Reinsurance Corporation is licensed in New York only. The progress of Reinsurance Corporation of New York is being watched with considerable interest in this country, because it is undertaking to furnish a domestic market for types of reinsurance that have been available in the past only through London Lloyds. It is exceedingly well balanced financially.

Sees Need for Ohio Company

The Buckeye Union Casualty people in deciding to organize the Buckeye Union Fire call attention to the fact that, although there are 226 stock fire companies operating in Ohio, there is only one in the state which is owned in Ohio. President F. E. Jones believes there is a distinct need for an Ohio company. The Buckeye Union Fire will be

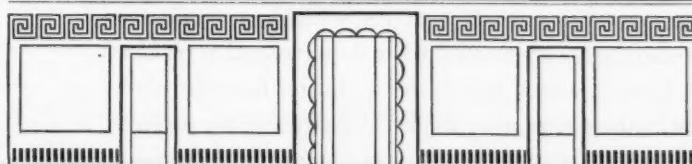
THIS BUILDING IS INSURED

This building features complete protection. It is insured against fire, rent, windstorm, air craft property damage, sprinkler leakage, explosion, earthquake, leasehold, riot and civil commotion, and use and occupancy. True, it is a thoroughly modern building of the latest type of construction, equipped with sprinklers and just completed but, nevertheless, it is completely insured.

The qualified Crum & Forster agent in the community not only is ready and anxious to proffer his expert advice, but he can offer every modern policy for complete insurance protection. He knows that only adequate insurance is a guarantee against property loss and it is his business to eliminate any chance of that loss for his assureds. With the progressive and comprehensive type of service rendered by the Crum & Forster group and their field representatives each agent is able to keep his assureds informed immediately of all changes in policy forms; of new coverages; and to offer engineering, inspection and fire prevention suggestions that not only increase the safety of all of the building employees and tenants, but also keep insurance rates at a minimum. Is it any wonder that Crum & Forster place at the top of their list of assets complete customer satisfaction? Should you be interested in joining an alert up-to-the-minute organization where you can best serve your assureds, you should represent

CRUM AND FORSTER

M A N A G E R S



110 WILLIAM STREET, NEW YORK

United States Fire Insurance Co.

The North River Insurance Co.

Westchester Fire Insurance Co.

Richmond Insurance Co.

Organized 1824

Organized 1822

Organized 1837

Organized 1907

The Allemannia Fire Insurance Co. of Pittsburgh

Western Assurance Co., U. S. Branch

British America Assurance Co., U. S. Branch

Southern Fire Insurance Co., Durham, N. C.

Organized 1868

Incorporated 1851

Incorporated 1833

Incorporated 1923

Western Dept.

FREEPORT, ILL.

Southern Dept.

ATLANTA, GA.

Carolinas Dept.

DURHAM, N. C.

Pacific Dept.

SAN FRANCISCO, CAL.

Allegheny Dept.

PITTSBURGH, PA.

represented largely by Buckeye Union Casualty agents.

The new company has been chartered with Frederick E. Jones, Ira L. Morris and F. A. Burgess as incorporators. It will start business with \$200,000 capital.

Recent entries of insurance companies into **Vermont** include the American Reserve Reinsurance Company, the Accident & Casualty of Switzerland and the Verhousy Fraternal, an Hungarian benefit society of Philadelphia.

Simon Freitag, 63, secretary of the Oberdorfer Insurance Agency, Atlanta, died there.

AS SEEN FROM CHICAGO

URUBA HEADS FIELD CLUB

William Uruba, special agent London & Lancashire, was elected president of the Cook County Field Club at the monthly meeting. He succeeds E. A. Birkemeier, Fireman's Fund. Mr. Uruba was vice-president during the last year. S. B. Fabans, special agent Northern Assurance, was elected vice-president and E. F. Fromm of Critchell, Miller,

Whitney & Barbour, reelected secretary-treasurer. Five were elected on the executive committee for two years, Mr. Birkemeier, W. T. Bisbee, Glens Falls; J. J. Ferguson, general agent Fireman's Fund; F. B. Ingledew, North British, L. P. Warren, Associated Agencies; and C. G. Kuechler, manager city and suburban department North America, for one year. The installation will be held

They LOST this FIVE-HOUR BATTLE

No fault of the fire department—the outcome was decided before they were summoned

JUST another proof of the fireman's axiom that "the first five minutes at a fire are worth the next five hours!" Catch a fire when it starts, and the chances are it will be extinguished with trivial damage. But when discovery is belated . . . when the alarm is delayed . . . the fire department usually faces an insurmountable handicap.

That is why any modern fire protection system, to be effective, must provide for prompt discovery and alarm no matter where in the building or at what hour of the day or night fire may break out. And the only truly effective way to assure this is through a system which detects and reports fire automatically.

A.D.T. provides two such systems: *Aero Automatic Fire Alarm*, which automatically detects fire when it starts and automatically summons the fire department; *Sprinkler Supervisory and Waterflow Alarm Service*, which makes the sprinkler function also as an automatic fire alarm, automatically summoning the fire department the instant a sprinkler head opens or a serious leak occurs (as well as maintaining a constant automatic watch over all vital parts of the system to assure its operating efficiency). Booklets describing these systems will be sent on request.

A.D.T. AUTOMATIC FIRE PROTECTION SERVICES

Controlled Companies of **AMERICAN DISTRICT TELEGRAPH CO.**, 155 Sixth Avenue, New York, N. Y.
Central Station Offices in all principal cities.



A NATION-WIDE PROTECTION SERVICE
AGAINST FIRE, BURGLARY AND HOLDUP

at the December annual party in the Germania Club at a date not yet selected. Mr. Birkemeier reported on the Business Development meetings, three of which recently were held, average attendance being 153, and greater interest in the monthly meetings was shown by average attendance of 61. R. A. Parker, assistant manager, and Dick Skaer, superintendent of rating, Chicago Board, attended. Mr. Uruba has been an active member of the club for 11 years, on many committees and has been in the business 24 years, all with the same company. Frank L. Erion spoke on U. & O.

SHOULD STUDY NEW TYPES

For many years the $2\frac{1}{2}$ gallon soda-acid extinguishers were considered as a standard type by insurance companies, their agents and inspectors. In practically all cases where insurance companies required the policyholder to install extinguishers, the $2\frac{1}{2}$ -gallon soda-acid type with an "A-1" classification was specified.

Today, there are many newer types of extinguishers which bear the "A-1" classification. One of the newer types is known as the loaded stream type, built in a $1\frac{3}{4}$ -gallon size. While this extinguisher is smaller than the $2\frac{1}{2}$ -gallon soda-acid type, it bears the "A-1" classification and in addition to this a "B-2" classification which means that it is efficient for use on inflammable liquid fires. It also has the advantage over the soda-acid type as it will stand a temperature of 40 degrees below zero without freezing and requires only annual inspection.

Insurance agents can recommend the new type with "A-1 B-2" classification in place of the old type $2\frac{1}{2}$ -gallon soda-acid which bears only the "A-1" classification. The newer types comply with the specifications of Underwriters Laboratories. Some of the agents and inspectors are under the impression that a $1\frac{3}{4}$ -gallon extinguisher bearing the "A-1" classification will not be acceptable on account of the size. This is a mistaken idea.

CONTINENTAL CLUB MEETINGS

The Continental Club, composed of department heads and assistants at the head office of the Continental Casualty and Continental Assurance in Chicago, holds monthly luncheons. Arnold Keller, treasurer of the International Harvester Company, was the speaker at the current meeting. The club entertained the members of its baseball team, who qualified in the quarter finals in the Grant Park League and the Y. M. C. A. League. At the next luncheon Dr. H. W. Dingman, vice-president and medical director, will be the speaker.

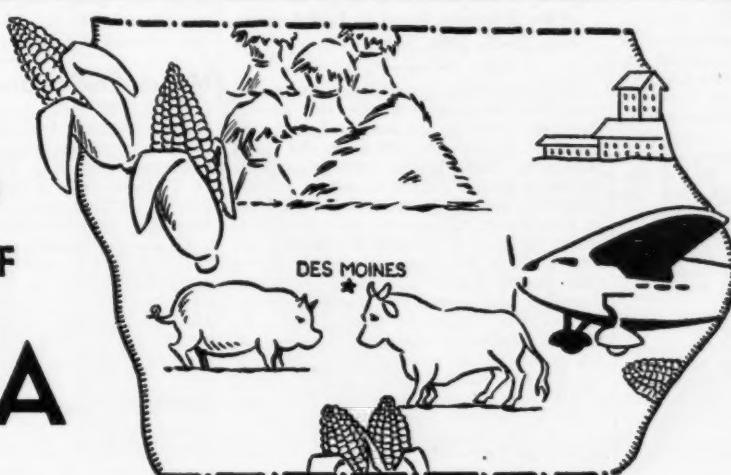
INSURANCE PATROL REPORT

There were 808 fires reported by the Chicago Fire Insurance Patrol in October which is the largest number reported since December. October showed a 23.6 percent greater number than October of last year. There were 101 fires the last week of the month. It so happens that 67 occurred on Saturday night. Since June there has been a trend upward in number of fires. However, the record for the entire 10 months is still 13.8 percent less than the 10 months last year. There have been 6607 reported this year as compared to 7518 during the 10 months last year. This year the percentage however is 17.8 percent greater than 1935.

WATCHMEN BEING INSTRUCTED

The Central Watch Service, Chicago, has installed an A.D.T. system tour instruction board and other equipment to facilitate training watchmen in proper protection of property. All of the several hundred men that this company employs in protection of factories, stores and warehouses have been trained not only on this device for recording rounds, but also on the portable clock system as well. The watchmen have received certificates from the school for watchmen conducted by the Chicago fire department in cooperation with the Chicago Board and other groups interested in fire

■ A SALUTE TO
THE STATE OF
IOWA



Iowa has 56,147 square miles 1.86% of the U. S.

Iowa has 2,470,939 population 2.01% of the U. S.

Iowa has 745,000 children in school, more than one-fourth of the population.

Iowa, the greatest corn raising State in the Union, expects a crop this year of 469,000,000 bushels, or the third largest in its history. Of the 35,575,040 acres of land in the State, 34,019,332 are contained in 214,928 farms, with a combined value for land and buildings of \$4,224,506,083. The total farm income for 1937 will be \$600,000,000, compared with \$420,000,000 in 1934.

Meat packing for the wholesale trade leads all other manufacturing industries, with an output valued in recent years at \$119,585,000. But over 2,000 other establishments employ 52,000 people; their products exceed \$260,000,000 in value each year.

In addition to the network of railroads crossing the State and the river traffic on the Mississippi and the Missouri, Iowa has surfaced 8,523 miles of highway out of a total mileage of 8,876—an exceptional record.

Iowa stands among the leading states in the field of education. It has the University of Iowa at Iowa City and the College of Agriculture at Ames, among other institutions of higher learning. The latter is constantly engaged in research, and as a result has benefited the farmers of the entire country with extremely valuable information in the fields of crop raising and animal husbandry. This State has the lowest percentage of illiteracy in the United States, 0.8%.

*Iowa insures, with the old established stock companies, \$893,-
007,969 of its property values against fire and pays, annually,
\$5,917,388 — 1.32% of the premiums of the United States.*

American Equitable Assurance Company of New York

Organized 1918

Capital \$1,000,000.00

Globe & Republic Insurance Company of America

Philadelphia, Pa.

Established 1862

Capital \$1,000,000.00

Knickerbocker Insurance Company of New York

Organized 1913

Capital \$1,000,000.00

Merchants and Manufacturers Fire Insurance Company

Trenton, N. J.

Chartered 1849

Capital \$1,000,000.00

New York Fire Insurance Company

Incorporated 1832

Capital \$1,000,000.00

Sussex Fire Insurance Company

Newark, N. J.

Incorporated 1928

Capital \$1,000,000.00

Corroon & Reynolds

*Incorporated
MANAGER*

92 William Street

New York

One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country.

prevention. More and more property owners are coming to realize the advantage in using trained and supervised watchmen, who are uniformed and armed, to protect their property. The Central Watch Service has been operated in Chicago for 40 years.

INSURANCE CLUB TO MEET

A call has been sent out by the Chicago insurance education committee for the first meeting of the reorganized Insurance Club of Chicago in the Chicago Board auditorium, starting at 8 p. m., Nov. 23. All interested insurance people are invited to attend. C. M. Cartwright, managing editor THE NATIONAL UNDERWRITER, will present awards and diplomas to students who have finished the Insurance Institute courses in 1936-37. The inland marine course in the institute's series will start Nov. 16, to be held Tuesday evenings from 5 to 6 p. m.

Arthur L. Ladd, Chicago broker, formerly well known as an adjuster for many years, is bereaved by the death of his wife. She was ailing for some time and underwent an operation two weeks ago. The services were held Wednesday at St. Bride's church, many insurance people attending.

Refusal to Insure or Pay for Protection Costs \$100,000

DETROIT.—John H. Noller, owner of the Warren Valley Golf Club near Detroit, learned an expensive lesson in the value of fire insurance. For some time J. A. Forrester, president of the Dearborn Agency, had been endeavoring to persuade Mr. Noller to insure the club buildings, valued at \$250,000.

Mr. Forrester pointed out that the club property lies in Dearborn township, which was formerly protected by the Dearborn fire department, but that this protection had been withdrawn and considerable difficulty might be experienced in getting equipment on the grounds in case of fire.

Refuses to Buy

Mr. Noller turned down Mr. Forrester's proposition because he felt the rate was too high. A few days later the Dearborn fire department was called—the Warren Valley clubhouse was on fire. Since Dearborn township was in arrears in its payment for fire protection, the department would not roll until a \$50 deposit was arranged, it is alleged. The call was forwarded to the Inkster department, which responded. By the time the engine arrived and connected 1,500 feet of hose, the entire east wing of the structure, which covers a city block, was in flames.

Meanwhile the Dearborn chief got in touch with his mayor and council committee, and by the time he got permission to send apparatus to the club, 40 minutes had passed. Both departments fought the flames, but they had such a start that the entire group of buildings—clubhouse, garage, locker rooms, ballroom, dining room and power plant—were completely destroyed with an actual insurable loss estimated at upwards of \$100,000, with allowance for depreciation.

Dearborn Stand Defended

While some criticism of the Dearborn department has resulted, insurance men are inclined to defend its stand. The Dearborn department has found that it costs \$50 per hour for each piece of apparatus sent into the township. Dearborn officials do not feel like risking damage suits that might arise if the apparatus was sent out of the city on a call while a large fire might arise in the city, whose taxpayers support the department, when the township apparently is not willing to pay the cost of these runs.

F. H. Wilder, Fargo, N. D., who has been in the insurance business 35 years, died following a long illness. He established the Merchants National Mutual Fire in 1904, and was secretary up to November, 1936.

NEWS OF FIELD MEN

Date for Blue Goose Meeting

Grand Nest Assembly Will Be Held at the Biltmore Hotel in Los Angeles, Aug. 23-25, 1938

The California Blue Goose announces that the headquarters for the annual meeting of the grand nest in Los Angeles, Aug. 23-25, 1938, will be at the Hotel Biltmore. This brings two grand nest meetings to the Pacific Coast in succession, the one this year having been held at Vancouver. However, the most loyal grand gander, J. Clarke Buchanan, resides in Los Angeles, his address being 2601 South Figueroa street. Mr. Buchanan is also keeper of the golden goose egg of the California pond. John E. Shield, California wielder, is located at 548 South Spring street. V. W. McKinney of the America Fore, also located at 548 South Spring street, is chairman of the grand nest arrangements committee. E. W. Dunn, who is the most loyal gander at Los Angeles, is special agent of the Selbach & Deans agency, located at 318 West Ninth street.

Engle Is Associate State Agent of Home in Ohio

Robert L. Engle, associate state agent of the Home group in Indiana, has been transferred to Ohio as associate state agent for the Home group there with State Agent H. H. Chittenden, having headquarters in Columbus. He will also be manager of the farm and sub-agency departments. Mr. Engle comes of an insurance family, being the son of the late John R. Engle, who was for many years prominent among field men in Indiana. His uncle, C. F. Engle, is Indiana state agent of the Firemen's of Newark group. Robert Engle became state agent of the National Liberty 21 years ago and went with the Home group when that company was taken over by the Home in 1928. This transfer to Ohio is recognized as a promotion with greater responsibilities.

Welborn Speaks in Ohio

C. R. Welborn, secretary Underwriters Laboratories, Chicago, addressed the monthly meeting of the Ohio Fire Underwriters Association in Columbus showing the Laboratories' new 2,000 foot sound film portraying the testing methods. F. L. Michel, special agent Fire Association, Parkersburg, W. Va., who travels southeastern Ohio, and C. T. Field, special agent North British & Mercantile, Cleveland, were elected members. J. L. Meyer, special agent Hartford group traveling northeastern Ohio, who has been made superintendent of production in the Chicago office, resigned. A memorial was read on the death of O. R. Lacy, for a number of years superintendent farm and survey department, Columbus office, Home of New York. It was reported the condition of R. H. Taylor, St. Paul F. & M., who is confined in a Columbus hospital, is unchanged. The next meeting will be in Columbus, Dec. 7.

Anthracite Club Meeting

The Anthracite Field Club will meet Nov. 18 at Scranton, Pa. Captain Schrader of the Secret Service will speak on his experiences. A vote will be taken on the proposed amendment that dues of new members joining after June 30 in any given year be one-half of the regular annual fee.

Anthony with the General

Harris C. Anthony has been appointed special agent of the General of Seattle in Ohio, assisting State Agent Robert G. Myers of Cleveland. Mr. Anthony is a graduate of Brown, is 35 years of

age and has spent his entire business career in insurance. He has traveled for the Travelers Fire in Ohio for the last eight and a half years. He will make his office with Mr. Myers in the Colonial Arcade at Cleveland.

Myrick Florida State Agent

S. E. Myrick, previously associate state agent in Florida for the Home fleet, is now state agent, having been advanced following the resignation of H. C. Rempsen. A graduate of the University of Tennessee, class of 1922, Mr. Myrick's first business connection was with the Southeastern Underwriters Association. He was appointed special agent in Florida for the Home in 1925, later being named associate state agent. He will continue to maintain headquarters in the Barnett National Bank building, Jacksonville.

Sunflower Auxiliary Dinner

The dinner-bridge of the Ladies Auxiliary of the Sunflower puddle of the Blue Goose in Wichita was attended by 50 ganders and their ladies. Guests were L. C. Wernet of the Illinois pond and H. E. Smith of the Indiana pond, both with the National Inspection Co. Contract bridge prizes were won by Mrs. Willard Quinn, Mrs. Hugh Caldwell, Shelby Holmes and Devone Quinn. Auction prizes went to Mrs. James Mott, Mrs. Carl Bailey, Hugh Knisley and Mr. Mott.

Glenn Graf With Hanover

The Hanover and Fulton announce that Glenn F. Graf has been appointed Ohio special agent to assist State Agent Paul F. Brown. Mr. Graf is a graduate of Ohio State University. In June, 1926, he became associated with the Ohio Inspection Bureau, serving it continuously for 11 years. His headquarters will be at 35 East Gay Street, Columbus.

Stevens to Los Angeles

J. W. Stevens, Jr., of Los Angeles, has been appointed special agent in southern California for the Liverpool & London & Globe, succeeding F. W. Brand, who resigned to enter the local agency field. Mr. Stevens has been in the San Francisco office of Liverpool & London & Globe for a number of years.

Hear Alcatraz Island Warden

J. A. Johnson, warden of the Alcatraz Island federal penitentiary, addressed the San Francisco Blue Goose Monday on his experiences. Percy V. Long, counsel for the National Board, was chairman.

The 17th anniversary banquet and ceremonial of the pond will be held Nov. 19. H. D. Haupt, president Reinsurance Underwriters, is chairman of the entertainment committee.

Plan Public Speaking Course

The Fire Prevention Association of Ohio is planning a course in public speaking for members so they can make addresses when called upon to do so, especially in connection with observance of Fire Prevention Week. The association will hold town inspections at Piqua Dec. 1; Zanesville Jan. 21; Coshocton Feb. 2; Salem March 1; Fremont April 7, and Toledo May 3-4-5.

To Present Life Plan

V. V. Moore, home office general agent Reliance Mutual Life of Chicago, will present to the Illinois Blue Goose, at its dinner Nov. 22, the outline of a Blue Goose life insurance scheme that he has devised. Until recently Mr. Moore was located in Newark for Bankers National Life and it was he that arranged for the life insurance program that was adopted by the New York pond.

Mr. Moore has secured from the man-

agement of Reliance Mutual an agreement to issue 10-year renewable term, non-cancellable, to those members of the Illinois Blue Goose who complete a short form application. The company reserves the right to reject any risk and to call for a medical examination. There would be no minimum of insured lives required before the plan would go into effect.

Missouri Meet Nov. 17

KANSAS CITY.—The Missouri Fire Underwriters Association will meet Nov. 17 at Columbia to discuss the Business Development campaign.

Chatek Talks in Seattle

SEATTLE.—Chester Chatek spoke on "Patriotism" before the Seattle Blue Goose. Mr. Chatek recently entered the general agency field. He represents the National Reserve.

B. F. Peters, executive state agent Royal-Liverpool group in Chicago, spent the week visiting James A. Baxter at St. Louis, recently appointed state agent covering southern Illinois. This is the first trip Mr. Peters has made to the St. Louis office since Mr. Baxter's promotion.

California Freed of Buccaneers

(CONTINUED FROM PAGE 5)

you give him, and I am exceedingly anxious that that impression be a good and a favorable impression. You must know your business. You must be honest, conscientious and sincere. You owe these things to your business and besides it pays. The best insurance companies in the world, operating under the finest of state supervision, will still be discounted in the eyes of the public unless you do your part. Let me predict that the public will demand these attributes in you, the agent, and that if you do not cultivate them the public will seek a substitute for the agency system. No system in modern economic strife can long survive unless it is useful."

Would Reinstate Stamping Office for Truck Cover

OKLAHOMA CITY—Reinstatement of the Oklahoma stamping bureau for automobile truck insurance will be given consideration at the next meeting of the state insurance board, according to Mott M. Keys, actuary. The request for reinstatement was filed by companies writing this class of business in Oklahoma, for the purpose of eliminating chiseling, establishing uniformity in rate and form and assuring correct countersigning.

In Oklahoma, operators of long haul trucks must either be insured by an admitted company or file bond with the state corporation commission. The companies' petition asks the board to rule that a licensed company writing such bond on a risk which has an agreement with Lloyds indemnifying him against loss is cooperating with and assisting in the writing of an unethical policy, and to take steps toward correcting it.

It has been brought to the board's attention that unlicensed companies are issuing a doctors' malpractice bond, presumably through a Chicago underwriting agency. It is said that such agency is issuing a certificate purporting to protect a doctor against malpractice but does not agree to defend him. The rate charged is \$15.30 while a regular bonding company gets between \$60 and \$75 for similar coverage. The Oklahoma board can do nothing about it unless it can find a local agent guilty of this unethical practice or to catch the out-of-state broker in the act, Mr. Keys said.

D. St. C. Moorhead, vice-president Employers Reinsurance in charge of the New York office, has returned after visiting the head office in Kansas City and his old home in Minneapolis.



THROUGH THE CENTURIES-WITH THE SUN

Reproduced above is Sun Policy No. 7158 issued to Margaret Jolliff, September 6, 1716. As long as Margaret Jolliff continued to pay "the Sum of Two Shillings within fifteen days after every Quarter-Day," her house was protected against loss and damage by fire by the Sun Fire Office of London, not to exceed "the Sum of Five Hundred Pounds according to the exact Tenor of the printed Proposals."

These early insurance policies of more than two hundred years ago were limited to one fixed amount and covered only loss and damage by fire and they were limited too as to the territory in which they applied.

Today the Sun Insurance Office, Ltd. (the oldest insurance organization in the world) and its affiliated companies issue policies throughout the world in large and varied amounts and write all lines of fire, marine, automobile, tornado, plate glass, fidelity, surety, burglary, forgery, liability, compensation and the allied coverages of insurance. The sun never set on the agencies of the "Sun" as there are agents throughout the United States and offices and branches in almost every country in the world.



SUN INSURANCE OFFICE LTD.

PATRIOTIC INSURANCE
COMPANY OF AMERICA

MARINE DEPARTMENT
111 JOHN ST., NEW YORK
WM. H. MCGEE & CO., INC., GENERAL AGENTS

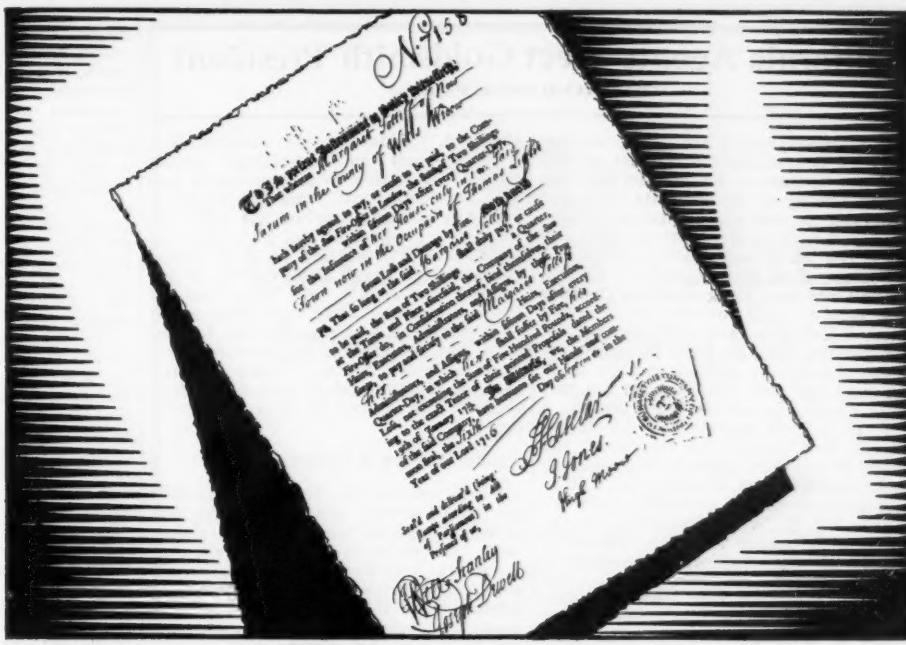
OF LONDON
HEAD OFFICE
55 FIFTH AVE., NEW YORK
O. TREGASKIS, U. S. MANAGER

SUN UNDERWRITERS INSURANCE
COMPANY OF NEW YORK

SUN INDEMNITY CO.
OF NEW YORK

PACIFIC COAST DEPARTMENT
SAN FRANCISCO, CAL.
SWETT & CRAWFORD, GENERAL AGENTS

CHARLES W. OHLSEN, MANAGER, WESTERN DEPARTMENT 309 W. JACKSON BLVD., CHICAGO



California Agents Elect Goldsmith President

(CONTINUED FROM PAGE 3)

tive situation and if the agent stresses price he is remembered because of that and not because of his counselling ability in setting up an adequate insurance program. In making solicitation proposals based upon proper coverage plus fair price, the agent protects his clients and the future of his agency, said Mr. Joseph.

Well informed stock company casualty field men are available for the best and latest information and improvements in the casualty field, he said. However, the agent should not depend entirely upon the field man, but should learn the casualty coverages and not be a leaner.

R. H. Griffith, president of the Pacific Board, emphasized the desire of the board to cooperate actively in promoting such improvements in service as will be of benefit to men in the field. In a response, C. E. White, president of the Oakland Insurance Exchange and a director of the California association, stressed the fact that a new type of agent is being developed and that there are many ramifications in the business and forms of coverage that must be considered.

Definite Progress Reported

Definite progress, indicating a permanent conference structure, was made by the California Association of Insurance Agents during the past year, according to the administration's annual report presented by President G. C. Appleton. Officers have devoted considerable time to the development of a practical educational course for agents; the furtherance of the conference plan with all types of company groups; the adoption of a declaration of guiding principles and a successful legislative year. Membership totals 1,321, the California association being the largest state body in the country.

The new Pacific Coast Conference Committee secured the revision by the Pacific Board of commissions on provisional form of coverage so as to provide the same rate of commission as paid on specific insurance on the same class of risk. The Pacific Coast Conference Committee will hold one meeting a year, the next meeting being tentatively set for early spring in Portland, Ore.

Develop Conference Program

A major objective of the administration has been the development of a conference program with all of the various organized insurance groups, on a basis that would be permanent as well as productive of maximum results. A permanent conference program with the National Bureau and the Pacific Coast Advisory Committee has been established. Joint consideration is now being given long haul truck rates and rules.

A permanent conference program with the Pacific Board has resulted in joint consideration of suburban dwelling rates.

A conference program with the Pacific coast branch of the National Automobile Underwriters Association has resulted in joint consideration of various problems relating to automobile fire, theft, comprehensive insurance.

These conference contacts have been developed on a well defined plan, designed to insure permanency of relations. Officers of the California association will confer with the heads of each company group at least twice a year for the general discussion of all problems relating to the business. Special committees will handle specific problems which develop.

Educational Program Set-up

A definite educational program has been set up by the association to offer facilities for the new man. "We believe it is fundamentally unsound to set up a standard of qualification, as the act does, without providing the means by which an applicant can meet that

standard. This can be accomplished only through an educational course which is available to all applicants and at a reasonable cost," said the report. A program is being worked out with the extension division of the University of California. An outline of a 15 lesson course covering all subdivisions of insurance except life, was given university authorities. They have been asked to prepare the text material and to join with the association in directing and supervising the course. Under the plan each of the 55 local associations would sponsor the course in their communities.

Public Opinion a Factor

Public opinion has become a factor in the promiscuous appointment of so-called illegitimate agents, the report said. "If corrective measures are not taken by insurance companies, it requires no stretch of the imagination to foretell what the future holds for the insurance business. We say most emphatically that the solution of this problem can no longer be delayed. It must be solved now."

The qualification law is only a partial solution of the problem for in its present form it cannot remove unqualified agents from the business nor can it eliminate entirely the appointment of new agents of that character. Many local associations throughout the state have initiated their own clean-up campaigns.

"While some progress has been made, viewing the state as a whole, it is a sad situation," the report stated.

A declaration of guiding principles applicable to California has been prepared and all companies have been asked to sign it. The declaration clearly defines what constitutes a legitimate agency appointment in all urban centers of California (2,500 or more population). Since the program was started two months ago, many of the companies have signed, no company or group having refused to sign. There will be no announcement of signatories until all companies have been extended an invitation to join. It requires a vast amount of time to contact each one individually and it will assist materially if executives who are interested will voluntarily discuss this subject with association officers, said the report.

Business Development Classes

A Business Development class was held in Los Angeles and a second class is to be started soon. Classes have been sponsored in Pasadena, Santa Barbara, San Diego and by the East Bay Exchange. Field men were commended in the report for their aid and keen interest. "The lack of sympathetic interest displayed in this state by some company executives is disappointing. It is hoped this attitude may be reversed and unlimited support obtained," the report said.

Accident prevention is a major objective of the National and state association. It represents a great opportunity of rendering a valuable service and by so doing developing good will. Accident prevention is a responsibility. "We must exert every effort toward maintaining rates both reasonable for motorists and profitable for the companies," said the report.

William H. Menn, chairman executive committee of the National Association of Insurance Agents, reviewed activities of the past year.

Economic Changes Reviewed

President Appleton appointed Harry Perk, Jr., as chairman of the resolutions committee and Ralph Bach, San Diego chairman of the nominating committee.

Sounding the keynote of the convention, J. R. Douglas, vice-president Security-First National Bank of Los Angeles, discussed current social and eco-

nomic trends, reviewing the changes which have taken place in the past few years, recounting the rapid efforts of government to adjust these changes, the too-great prevalence of the "reform" motive and the extreme difficulty of determining what is permanent and what is transient. He referred to governmental and voluntary regulation of business and the extension of credit through governmental lending agencies, the competition of which private lending institutions have found it difficult to meet and which constitute a serious handicap to the resumption of normal business processes.

He discussed the efforts to increase purchasing power, the present labor policy and limitation of agricultural production and expressed the belief that as time goes on the benefits now afforded under social security will be liberalized.

The insurance man's duty and opportunity in connection with these changes was brought out in a noteworthy talk by H. W. McGee of Los Angeles on "The Agent's Responsibility in Applying Insurance to the Needs of Modern Business," which is presented elsewhere in this issue.

Oscar Beling, Royal-Liverpool groups, New York, covered in detail problems of efficient office management. F. S. Dauwalter, director of the Business Development Office, dealt with the financial strength of capital stock insurance companies as security behind contracts sold by local agents.

Executive Session Tuesday

Following conferences of rural agents and of field men, an all-day executive session for agents only, was held Tuesday. Reports were made by chairmen of standing and special committees and several subjects upon which executive officers desired free expression were taken up. The declaration of guiding principles for companies engaged in business in California, which was given by the president in his report, asking companies to declare their policy as to type of agents they will appoint in cities of 2,500 or more, was endorsed by the convention.

Wednesday was devoted to practical education on the application of various forms of specific types of risks. In discussing insurance on the home, Harold Barnhart, Visalia, covered the liability of home owner or tenant. Then came a discussion on complete coverage for the automobile and owner, followed by another on insurance on personal property, presented by W. T. Robertson of Oakland. Insuring personal income was covered by A. E. Shepperd of San Jose.

The problem of insuring mercantile establishments was started with a discussion on the coverage of stock, fixtures

and buildings. "Liabilities" was covered by Raymond Nettleship of the Nettleship Company, and financial losses were presented by Hal Harvard of San Jose. H. Everett Charlton of the Seyler-Day General Agency, Los Angeles, talked on "Crime Losses." "Practical Methods of Premium Financing" were considered by Ernest Cochrane of Fresno.

The business program concluded with a forcible presentation of sales developments by G. P. Fisk, sales counsellor of Pasadena.

The banquet was held after a reception. The newly elected officers were installed in impressive ceremonies at the banquet instead of the usual procedure at the closing business session.

W. H. Menn Stresses Achievements of Washington Office

(CONTINUED FROM PAGE 3)

to continue the demand for it. The work of the Business Development Office on fire lines has been so successful that it is no longer regarded as an experiment, he declared, and has for the first time given agents organized opposition to competition. The competitive situation as regards casualty is even more intense than with fire insurance. The National association, stated Mr. Menn, is interested in any program which will improve the stock insurance agents; consequently it strongly supports the business development work done by the fire companies and is intensely interested in starting a similar casualty organization.

Mr. Menn conveyed the regrets of President Charles F. Liscomb, Duluth, who was unable to attend the California meeting because of a heavy schedule of state meetings immediately following the National convention at Dallas.

Taylor New Publicity Head

A. K. Taylor, advertising and publicity manager United States Life, has been appointed publicity manager for the American International Underwriters which was organized in 1926 by C. V. Starr, president United States Life.

In 1920 Mr. Taylor became advertising manager for America Fore, later becoming head of the public relations division of the National Board of Fire Underwriters. At the invitation of Mr. Starr he went to the Orient, spending four years obtaining practical experience in underwriting and agency development work. Upon his return he went with the National City Bank, working in the insurance trust field.

California Agents' New Officers



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C. ELMER WHITE, Oakland
New Vice-President

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Recent Economic Changes Offer New Opportunities

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that, prior to its enactment, was almost closed to the agent who had no financing connections. Entrance of banks into the field of automobile financing has provided the agent with the opportunity to protect his business against financial control.

Both the P.W.A. and W.P.A. offer additional fields for the agent. Also, stated Mr. McGee, of those thousands of people who failed to renew insurance or refrained from purchasing it because of lack of employment, many are now in position to do so because of relief projects.

Taxation Creates Needs

"Probably none of the recent changes in the business world offers greater opportunity for service from the modern insurance agent than the various forms of taxation now in use. The taxation of corporate surpluses, for example, has a tendency to reduce greatly, and in some cases eliminate entirely, that rainy day cushion which most corporations built up in the form of surplus. Firms that in the past were inclined to under-insure, feeling that a huge surplus would protect against the uninsured hazards, should now protect their properties as never before. At the same time they may enjoy that comfortable feeling of having Uncle Sam pay a portion of their premiums by way of charging those premiums to operating expense, and thus reducing the amount taxable as surplus."

"With dwindling surpluses, use and occupancy insurance becomes virtually a necessity. Liability insurance limits should be raised, and machinery insurance in its various forms purchased. Banks making business loans are vitally interested, for insurance must take the place vacated by surplus, in making certain the repayment of loans should catastrophe strike the borrower."

Opportunity Along Various Lines

"More incentive is provided the employer to purchase group accident, health and life insurance for his employees. Greater necessity arises for the purchase of business life insurance between partners. More and larger fidelity bonds should be purchased, for the firm without substantial surplus cannot absorb a large dishonesty loss. It behoves today's agent to familiarize himself thoroughly with the fundamentals of the various tax laws. New taxes are not without effect upon self-insurers. A market is now offered us, due to the taxation of funds created for self-insurance, and the corresponding fact that insurance premiums are regarded as operating expense. In many instances the resultant tax saving makes it attractive to abandon self-insurance funds and purchase coverage."

"Many of the smaller corporations, to escape the burdens of social security taxes on the executive officers in whom the ownership of the corporation is vested, are disincorporating. The agent should be quick to realize that existing policies must be revised, accident insurance provided for executives formerly covered under workmen's compensation policies, business life insurance policies revised and new ones provided, and many other changes and additions cared for."

Must Study Needs of Clients

"Thus, we have seen that changing business conditions provide a knowledge that may be converted into power for wide-awake agents. Our association must take a more active part in study-

Youth of 17, Agent's Son, Passes State Test

Theodore S. James, Jr., 17, son of the Charlotte, N. C., local agent of the same name, who will graduate from high school next June, has passed the insurance department examination. Ordinarily the law requires that an applicant be 21 years of age, but the commissioner made an exception. For more than a year young James has been working in his father's office in the summer and after school.

Withdrawal of Missouri Rate Compromise Asked

JEFFERSON CITY, MO.—Attorney-general McKittrick and counsel for the insurance department in a motion filed with the Missouri supreme court requested the withdrawal of former Superintendent O'Malley's peaceful compromise of the fire insurance rate litigation reached with company representatives in May, 1935.

The department now takes the position that impounded premiums "must be returned to the policyholders." The May, 1935, compromise provided that the policyholders shall receive only 20 percent of the impounded premiums.

Arguments are to be heard by the supreme court Nov. 23.

Sheffer-Cunningham Expanding

Sheffer-Cunningham, insurance adjusters at Wichita, Kan., are expanding their service. The organization recently had to arrange for increased office space. It now has seven full time adjusters on its staff and now handles losses for 70 insurance companies.

Take No Action on Legislation

NEW YORK—Under a resolution adopted by the New York City division of the New York Fire Insurance Rating Organization, "no commitment or expression of opinion either in favor of or against the proposed legislation for the regulation of commissions and brokerage" will be taken, "unless and until such commitment or expression be favored by 80 percent of the members voting at a regularly called meeting."

N. Y. Amendments Approved

NEW YORK—After electing W. F. Dooley, vice-president Continental, a member of the executive committee to fill the unexpired term of H. E. Maxon, resigned, the New York Fire Insurance Exchange approved three amendments to the exchange agreement, all of which became effective immediately. One of the changes prohibits furnishing by agents or brokers of appraisals for property insurance and stipulates that if such appraisal be supplied by assured, the values stated shall be approximate and not absolute, and applicable only to the date on which appraisal was made.

ing the needs of our clients, that we may devise new and improved forms of coverage justified by changed business conditions. We must impress upon our companies the necessity of recognizing these changed business conditions and viewing with open minds the propriety of offering protection for proper insurable hazards, and the broadening of present forms."

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EDITORIAL COMMENT

Problem of Rating Personal Liability

THE rejection of occupational ratings for automobile liability insurance under the new Illinois insurance code by Insurance Director ERNEST PALMER raises a very nice question in automobile liability insurance. Some companies granted a preferential rate according to occupation, the theory being that in certain lines of work, automobiles were used more than others. In some cases cars were used partly for pleasure and partly for business. In others, they were used chiefly for business. The status of the car was fixed by the business or profession of the owner.

The problem of proper automobile rating for personal liability has not been solved. The occupational classification may not be a wise or logical one. There undoubtedly is great pressure on the side of the public for some form of recognition of careful drivers whose cars are used in a rather limited way. The most common expression from a man of this character might be summed up as follows:

"I have not had an accident for five or six years. I have never had a serious one. I am very conservative and careful in driving. The amount that any insur-

ance company had to pay me has been very small. I cannot help but feel that I am helping pay the losses of the careless and the daredevil. People in my class deserve some recognition."

Merit rating was tried a few years ago and theoretically it was a wise measure. However it was abused until finally almost anyone could get 10 percent reduction whether he deserved it or not.

After all the claim record is probably the most scientific basis on which to grant any sort of recognition. The man who goes along from year to year without a claim demonstrates his conservatism and care. The human element enters into 90 percent of the automobile rating factors. That is indefinable and intangible. Some go so far as to say that the most sensible course to pursue would be to issue some form of participating policy whereby the man with a good record would be entitled to a refund on that account.

Whatever may be the outcome, as we go along we will acquire more and more experience. There is a great need for some form of rating, it would seem, whereby the claim producer is penalized far more than he is today.

Application of Coverage Important

THE talks made before the CALIFORNIA ASSOCIATION OF INSURANCE AGENTS by HAL HARVARD, San Jose, and H. E. CHARLTON, Los Angeles, which are reported on the Pointers for Local Agents page of this issue, are especially commendable because they stress the application of insurance coverage to fit the prospect's needs. The average merchant that Mr. HARVARD uses as an example has definite problems and methods of operating his business. By taking these into consideration and analyzing them he is able to suggest a program which will be given intelligent consideration by the prospective buyer.

Neither MR. HARVARD nor MR. CHARLTON sells an insurance policy as such but they present a plan to enable the assured to operate his business and secure his income despite contingencies which may occur. Although there is a great need for broader knowledge of policy contracts and coverages, the application of coverage in the terms of the prospect's needs is a selling method often neglected that points the way to increased premium volume. In selling insurance we have been too prone to use generalities like "greater protection" and "broad coverage" instead of talking in relation to the assured's manufacturing, selling and affiliated problems which he faces every day.

Sentiment in Insurance Business

THERE is after all much sentiment in insurance. We cannot get away from the personal and more human side of the business. Local agents are particularly responsive to that appeal. We may wonder at times whether the particular recognition given to an office that has represented a company for 25 years or more is worth while. Those agents who are connected with institutions that have weathered the storms of a quarter of a century or more have something well worth talking about.

Why is it, for example, that some local agencies are able to forge ahead for many years and grow more substantial and successful and others fall by the wayside after a few years operation? There is something after all in age where a business has been well seasoned. Some companies make it a point to observe these anniversaries as far as local agencies are concerned by a special letter from the head of the company or department manager, and frequently a pilgrimage is made to the immediate

radius of the agency operations and a certificate of service is awarded. Many agents have these framed and hung in their offices. They point with pride to them. Oftentimes recognition of this kind finds its way to the local papers. Where

a company has been in business for 25 years or more and where it has been represented by one office in a town for that length of time or more, there is a business as well as a sentimental value in giving the event proper recognition.

PERSONAL SIDE OF BUSINESS

John B. Carvalho, who was recently elected vice-president and secretary of Metropolitan Fire Reassurance, is arriving in Hartford this week to take up his duties at the head office. For the past two years he has been in San Francisco in the coast department of Rossia group, of which Metropolitan is a unit.

R. Bryson Jones of R. B. Jones & Sons, Kansas City, is a candid camera enthusiast. A recent issue of "Business Week," a national weekly business digest, carried quite a story of Mr. Jones' ability.

W. H. Labagh, New Jersey special agent, is celebrating his 20th anniversary with the Royal-Liverpool group. In 1917 he joined the Queen in the loss department in New York City, was promoted to automobile underwriter. In 1924 he was appointed New Jersey automobile special agent. The fire branch was later added for northern New Jersey and he now covers Bergen, Passaic and Sussex counties for all of the companies of the group.

J. G. Bohannan, counsel for the Virginia rating bureau, and Mrs. Elizabeth Macon Tilley were married last week and left for Bermuda on their honeymoon.

C. R. Tuttle of Chicago, who retired as western general manager of the North America, is leaving this week for his old home in Missouri. He and Mrs. Tuttle will start next week for Los Angeles, where they will spend the winter.

Clarence A. Rich of the Rossia has so far recovered from the effects of the serious automobile accident in which his wife and himself were involved at Latrobe, Pa., about a month ago, as to warrant his leaving the West Pennsylvania Hospital at Pittsburgh. Mrs. Rich, however, will be compelled to remain in the institution for some weeks at least, the character of her injuries requiring more extended treatment. Mr. Rich is living at the home of his daughter in Pittsburgh, until his wife is able to return to their residence in New York City.

F. G. Macomber, head of one of Boston's leading general agencies, an art connoisseur and collector, has just successfully completed a detective job which has continued throughout an entire year and extended from one side of the country to the other. Mr. Macomber sent a quantity of his art treasures to New York City about a year ago, to be sold. When they arrived, articles to the value of \$25,000 were missing. A former house caretaker was suspected, arrested and eventually sent to the house of correction for two years. A considerable amount of the stolen property is said to have been found in the possession of two of his women friends in Boston and now a considerable quantity of antiques and tapestries has been

brought on from Seattle, where they were located and recovered. All but four tapestries and two 500-year old paintings have been recovered and Mr. Macomber has hopes they will be located in time.

W. J. Reynolds, prominent local agent at Crystal Falls, Mich., died suddenly in Milwaukee while attending a conference of the American Automobile, of which he was agent. He went to Milwaukee with Guy Cox of Iron River. He was prominent in business and civic life in his city. He was born in Oconto, Wis., Feb. 6, 1880. He went to Crystal Falls in 1901. He was formerly president of the Crystal Falls National Bank and manager of an insurance and abstract business. He was a former treasurer of Iron county, serving four terms. He was elected to the city commission and remained in office until his retirement in 1934.

J. V. Herd, vice-president of the Fire Association, will be married Nov. 20 to Miss Pauline May Hoffman at St. John's Episcopal Church in Los Angeles. President Otho E. Lane is to act as best man.

A. C. Guy, Columbus manager Western Adjustment, and **Carl Mitchell**, vice-president Columbus Mutual Life, the latter representing the Optimist Club and the former the North Side Civic Association, have been named as members of a mayor's committee to study the financial crisis which the city faces as a result of the defeat of a city levy in the election last week. Many municipal services will have to be curtailed among them the fire and police departments.

At the call of **Frank N. Julian**, Alabama insurance commissioner, a convention was held this week of surviving framers of Alabama's constitution in 1901. Mr. Julian, then a young man, served as chairman of the constitutional convention.

Morton T. Jones, president of the Kansas City Fire & Marine, had his tonsils removed.

Richard E. Vernon, Western Actuarial Bureau, was toastmaster at the John T. McCutcheon testimonial banquet in Chicago, commemorating the 50th anniversary of the famous cartoonist as a member of the Sigma Chi fraternity. Mr. Vernon is affiliated with the Albion (Mich.) College chapter and his brother wrote the famous "Sweetheart of Sigma Chi" song.

J. D. Neilan, veteran Portland, Ore. local agent, died there. He was president of Neilan & Parkhill agency, past president of Insurance Exchange of Portland and prominent in state association affairs.

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Broad Authority of Illinois Director Viewed

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able in the courts, except orders requiring a deficiency of assets be made good. An added safeguard is found in the provision that, although a transcript of the record of an administrative hearing is to be brought before a reviewing court, additional evidence may be introduced.

Mr. Havighurst discussed at some length the section covering misrepresentations and false warranties. He pointed out that the code recites that no misrepresentation or false warranty shall defeat a policy unless it is made with actual intent to deceive or materially affect either acceptance of the risk or the hazard assumed by the company. There is some ground for the belief that this may change the test of materiality, which in Illinois had previously been very favorable to the assured. Mr. Havighurst expressed opinion, however, that courts will hold that it does not. In case of warranties, there is a change favorable to the assured, as the previous Illinois doctrine was that a false warranty would void a policy even though it might be innocently made and not material to the risk.

While the companies have objected to the provision allowing attorney's fees in successful suits against them, Mr. Havighurst declared the limitation of 25 percent of the amount received and not more than \$500 will limit the application to cases involving small claims and prevent exorbitant awards. Further, these fees are allowable only in case refusal of the company to pay without suit is "vexatious and without reasonable cause." Allowance of the fee is at the discretion of the judge and not the jury, and in all probability few judges will allow such fees if the defense is in good faith, even though inadequate.

The investment section, stated Mr. Havighurst, is a reenactment of most of the features of the investment act of 1933 relating to life companies and of 1936 touching fraternal organizations. The new requirements are much more stringent for fire and casualty companies, but relax some of the restrictions applicable to life companies.

A section on agency licensing requirements was omitted, stated Mr. Havighurst, so the legislature might not have an opportunity to make amendments to the 1935 licensing act. The present act, he declared, has cured some constitutional objections of the old act, but there are some points which are still in doubt.

Late News from the Casualty Field

Holtzman Addresses Club

The Salt Lake Accident & Health Club held its first fall meeting, a special feature being elk meat furnished by Hazen Exeter. A. M. Holtzman, Colorado Life, Denver, president National Accident & Health Association, was a speaker.

O. L. Hiner, executive committee chairman, announced plans to make the association of greater value to members.

Opens New Metropolitan Office

The Liberty Mutual has opened a new sales office at 150 Broadway, New York City. It is headed by George Mitchell as manager. He has been with the Liberty Mutual in its East 40th street office.

Hear Reports on Ohio Campaign

The Ohio Association of Casualty & Surety Managers, at its meeting in Columbus Tuesday, received reports of the fidelity campaign just completed in that state. Meetings were held in Columbus, Cleveland, Toledo and Cincinnati and it

is estimated that fully 1,000 agents attended. The opinion was expressed that much new business will be written as a result of the campaign.

Hurst on U. S. Visit

Mr. and Mrs. Wm. A. Hurst of London arrived in New York on the Aquitania Tuesday morning. Mr. Hurst who is general manager of the Car & General in London, is an officer of the Most Excellent Order of the British Empire and a fellow of the Chartered Insurance Institute of England. He will pay a visit to the principal offices of the U. S. branch of the Car & General. He is

the immediate past president of the Insurance Institute of London.

Watch for Huge Bond

NEW YORK—Bids for completion of the Grand Coulee High Dam on the Columbia river, near Spokane, will likely be called for by the reclamation bureau before the first of the year, and surety men are much interested. Estimates as to the cost of the project range from \$20,000,000 to \$40,000,000.

D. W. Elliott, superintendent Chicago claim department Bankers Indemnity, left on a two weeks hunting trip in the

Davis Mountains in Texas. A hunting party composed of 10 members has been organized. The party will hunt deer, wild turkeys and mountain lions.

Mr. Elliott will stop off in San Antonio for a few days on business.

W. L. Pelton, president W. H. Mandeville Insurance Agency, Olean, N. Y., died there.

Frederick W. Swan, agent Detroit Fire & Marine at Elmira, N. Y., was presented with a sterling pitcher in recognition of more than 25 years of service.

John M. Severn of the Severn & Bensch agency, Jamestown, N. D., died very suddenly from a heart attack.



FROM EWING GALLOWAY

FLIGHT FORMATION

*Dark flying rune against the western glow—
It tells the sweep and loneliness of things.
Symbol of Autumn vanished long ago—
Symbol of coming Spring!*

FREDERICK PETERSON.

As you watch the wild geese fly South remember, too, that they might have invented the definition of a straight line: the shortest distance between two points. In your business apply their simple principle of efficiency: take the shortest, quickest route to the end you seek, and stick to it.

As a good local agent your efforts are bent to supplying security of home and stability of

business for the responsible people in your community. This end can be attained by following three rules. They are: know your business; represent only the soundest, fairest, most progressive companies; and keep your name constantly in the minds of your clients and prospects as the best insurance man in town. These three companies can be of real help to you in following these three rules.

The
MANHATTAN
Fire and Marine Insurance Company

The
LONDON ASSURANCE

Ninety-Nine John Street, New York

The
UNION FIRE
Accident and General Insurance Company

REINSURANCE

CASUALTY

FIDELITY

SURETY

SERVICE OF THE
"DURABLE GOODS"
QUALITY

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

EMPLOYERS
REINSURANCE
CORPORATION

E. G. TRIMBLE, President
HOWARD FLAGG, Executive Vice President

The NATIONAL UNDERWRITER

November 11, 1937

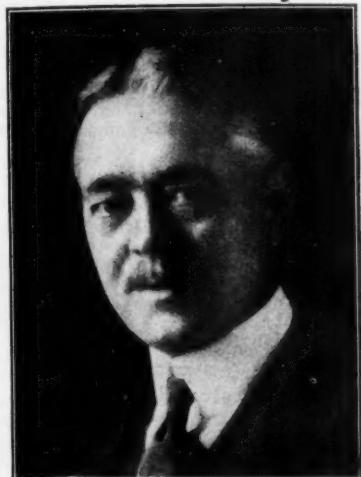
CASUALTY AND SURETY SECTION

Page Twenty-three

E. A. St. John Was Outstanding Man in Surety Field

Vice-President of National Surety Was Possessed of Delightful Personal Attributes

Edward A. St. John, vice-president of the National Surety, died at his home in Garden City, L. I., last Friday morning after a brief illness of bronchial pneumonia. Funeral services were held at Garden City Cathedral, Sunday afternoon. Mr. St. John was married in 1902



E. A. ST. JOHN

to Miss Helen Harmon, who died in 1927. Later he married Helen Dunbar, who survives. A daughter, Helen A. St. John, by his former marriage, also survives.

Mr. St. John was an outstanding figure among surety companies due largely to his very ingratiating personality. He was a man that possessed particularly striking but amiable social gifts. He had the instincts of a salesman. In some ways he may have been too sympathetic and at times too liberal. Yet it must be said that he was in many ways an ideal contact man with agents and assured. He did not claim to be a technician. He possessed good, sound, common sense and he brought that to bear on the problems that confronted him. He took the business man's point of view. One of the striking traits of Mr. St. John's character was his frankness. He did not attempt to hide or to deceive. He was outspoken, forthright and when he made a statement it could be relied on. Mr. St. John inspired confidence in those with whom he came in contact. He was a strong pillar in the National Surety temple.

Mr. St. John was born in Buffalo, Aug. 26, 1869, and became engaged in the book publishing business as a young man. Because of his personality and energy he developed soon into one of the

(CONTINUED ON PAGE 36)

Remarkable Casualty Executive Is Honored

By LEVERING CARTWRIGHT

NEW YORK—To the casualty old-timers in company and agency ranks, Edson S. Lott is a lovable character, who has been important in the business almost since it commenced. To the newcomers, he is something of a legend.

Wednesday evening of this week Mr. Lott was guest of honor at a dinner in New York, at which more than 100 of his friends expressed their appreciation of him by their attendance. That function fell on his 73d birthday. He has been in the insurance business about 44 years and has been identified with the United States Casualty about 42 years.

He has been important in the business almost since the day he entered it. He didn't follow the orthodox pattern of 10 or 15 years in a minor position, another 10 years at a junior executive's desk and then a span at the top.

Was Seasoned Early

Mr. Lott was seasoned early. He was married before he was of age and incidentally is now the possessor of two great-grandchildren. He was connected with newspapers in an editorial capacity, became accustomed to meeting older men on their own ground and when he entered the insurance business in 1893, it was as superintendent of agents.

It was natural for him to associate with men who were doing things and were making the machinery move. One of the first things that occurred to him to do when he entered the insurance business was to get acquainted with the executives of other companies and this he proceeded to do. When he came to New York he attended the many meetings of the old Liability Conference and was the youngest man attending those sessions. He was not abashed by his youth, he entered into the arguments and gave his opinion.

"Why I was tolerated, I don't know, but I was," Mr. Lott recalls with a chuckle.

Reported Southern Land Boom

As the correspondent for four New England newspapers, Mr. Lott was assigned to various southern cities reporting the amazing land boom that was taking place in that section. Land companies were being organized in various southern towns. The purchaser of a share of stock would be given a lot, drawn by lot, and then auctions of these lots would be held. In some places where the boom was especially pronounced, these lots would change hands four or five times a day. Cellars were being dug, magnificent hotels were going up and Mr. Lott had the time of his life recording these phenomena. In one town, the mayor menaced him with a gun because of an article he had written describing the land boom in that particular place.

Mr. Lott was one of the incorporators of the "United States Investor" of Boston and the management of that paper also operated the "American Wool & Cotton Reporter." When Mr. Lott re-

turned to headquarters he worked for a time on the latter trade journal. Then he got into a row with the management on a matter of policy and resigned. He was a friend of William D. Chase, who was general manager of Manufacturers Accident Indemnity of Geneva, N. Y., which is 14 miles from famous Penn Yan, Mr. Lott's birthplace. In a letter to Mr. Chase, Mr. Lott reported that he had resigned his position. Mr. Lott



EDSON S. LOTT

was not angling for a job with Mr. Chase's concern but merely was passing along the news. However the next day he got a wire from Mr. Chase:

"You are on our payroll. Come to Geneva at once."

Superintendent of Agents

The job was that of superintendent of agents. The company was a writer of accident insurance exclusively. The policies at that time, Mr. Lott recalls, were very restricted. They were not intentionally tricky, but there were so many exceptions to coverage that it was difficult for the assured to know where he stood. The accident loss ratio was extremely low. For instance during its first 11 years, the personal accident loss ratio of United States Casualty reached only 33 percent.

Very few local agents at that time represented companies for personal accident insurance and were not much interested in the line. Most of the selling was done by specialty salesmen. The special agents would appoint postmasters, assistant cashiers in banks, politicians, etc., seeking non-insurance men who had a large acquaintance and were in a position to give full time, so far as insurance was concerned, to personal accident business.

Shortly after Mr. Lott went with Manufacturers Accident Indemnity that

(CONTINUED ON PAGE 36)

Much Confusion on Occupational Automobile Rule

Companies Aroused Over Position on Personal Liability by Illinois Director

A conference was called by Insurance Director Palmer of Illinois to start at 10 a. m., Nov. 16, in the insurance department office at Springfield, when all interested in the ruling which outlaws occupational rating can be heard. It is probable that a number of attorneys and executives will be present. The department has received many protests and the companies desire more time for compliance. In view of the hearing Tuesday, it is probable companies will not be required to submit new rate filings by Nov. 15, as required in Palmer's order, and they hope to secure a continuance.

There is considerable confusion arising out of the ruling of the Illinois insurance department outlawing occupational rating for automobile personal liability insurance. Evidently most companies were not prepared for this procedure and furthermore they are inclined to believe that the department was too abrupt and should have given all hands more time to get their houses in order and ascertain just what they could do. They call attention to the fact that London Lloyds has been shown much consideration and, therefore, some of the companies feel that they are entitled to just as liberal treatment.

Occupational Rating Companies

The companies using the occupational rating plan in Illinois for the most part are the Chicago Lloyds, American Automobile, General Accident, American Indemnity of Galveston, American States of Indianapolis, (Chicago only) Car & General, Home Indemnity, Trinity Universal, Associated Indemnity, Ohio Casualty, American Casualty of Reading, Pa., Preferred Accident, Central Surety, and Accident & Casualty of Switzerland.

Many of the companies have asked their attorneys to study the provisions of the code carefully under which the ruling was made. Some executives and some attorneys have taken the matter up with the department and others are requesting a hearing.

Attached to Rating Plan

Under the provisions of the code a hearing is provided if a company so desires and the company can also take an appeal. Whether the matter will get into court remains to be seen. Some companies are very much attached to the occupational rating plan and claim that they have been conducting their business along orderly lines that give the utmost protection to the policyholder at a cost below that which he would pay if he

(CONTINUED ON PAGE 34)

Dispute Over Casualty Agency Contract Settled

Supplementary Agreement of Interpretation Is Announced by W. H. Bennett

NEW YORK CITY—As the outcome of a series of conferences between C. W. Fairchild, acting general manager Association of Casualty & Surety Executives; L. E. English, president American Association of Insurance General Agents; W. D. O'Gorman, vice-president National Association of Casualty & Surety Agents, and W. H. Bennett, general counsel National Association of Insurance Agents, an agency contract was drafted for use by both casualty and surety writing companies, providing it meets approval of the executives to whom it has been referred, and later that of officials of the Treasury Department, as final arbiter. While particulars as to nature of agreement are closely guarded, it does not duplicate the Fidelity & Casualty agreement.

Settlement of the dispute over the proposed casualty agency contract by means of a supplementary agreement of interpretation is announced by Walter H. Bennett, general counsel National Association of Insurance Agents. While this supplementary agreement so far applies to only one company, the Fidelity & Casualty, which originated the agency contract and secured a ruling from the Internal Revenue Bureau that the agents operating under it are not employees within the meaning of the social security act, the assumption is that other casualty companies will agree to the same interpretation.

At the same time, Mr. Bennett answered the question of a New Hampshire agent regarding the legal enforceability of supplementary agreements, citing a line of decisions indicating that courts in every state will give full force to supplementary agreements, written or oral, in interpreting a contract. The Bureau of Internal Revenue has repeatedly taken the position in deciding the status of agents under the social security act that it will consider all circumstances, agreements and customs, as well as the bare agency contract. In several cases, it has called for supplementary information before making a decision.

Ownership of Expirations

Following several conferences between officers of Fidelity & Casualty and representatives of the National Association of Insurance Agents and the National Association of Casualty & Surety Agents, the points of interpretation were outlined in a letter to Mr. Bennett over the signature of Frank A. Christensen, vice-president Fidelity & Casualty. Mr. Bennett in his announcement recited Mr. Christensen's letter in full.

The interpretations are as follows:

1. Records, use and control of expirations are to remain the property of the agent and be left in his undisputed possession, provided the agent has properly accounted and paid over premiums for which he may be liable.

2. The provision for return of commissions on canceled business and on reductions in premiums is interpreted to be effective only as to cancellations and reductions prior to the termination of the agency contract.

Authorized Agency Expenses

3. The provision that the company will not be responsible for agency expenses will be interpreted to eliminate the disclaimer of liability for adjustments by the agent of losses under policies issued by him and to assume responsibility on the company's part for any company expense it authorizes the agent to incur.

4. The company agrees to give the

agent prior notice of intention to cancel by direct notice to the assured.

5. Changes in commission scales will be by mutual agreement.

6. The provision for termination of the agency contract by either party upon written notice will be interpreted to require 30 days notice by either party.

These interpretations appear to meet all the objections raised by the National association to the casualty contract. In the opinion of observers, the points considered should not affect the status of agents under the social security act, although it is probable that in any subsequent hearings involving this contract the Internal Revenue Bureau will consider the interpretations as well as the contract. The primary objection of the companies to drafting a new agency agreement was that it would entail further expensive and protracted hearings before the Bureau of Internal Revenue, with no assurance that the ultimate decision would be favorable. They preferred to use a contract which had been adjudicated by the bureau and hence be on safe ground.

Construed as One Contract

In his reply to the question from New Hampshire, Mr. Bennett, after citing pertinent court decisions and quoting from the "Restatement of the Law of Contract," of the American Law Institute, to the effect that all circumstances accompanying the execution of a contract must be considered in interpreting the contract, stated as his unqualified opinion that the courts of any state will follow the universal custom of interpreting two or more instruments relating to the same subject matter and brought about at the same time as being one contract between the parties. The specific question from New Hampshire was concerned with the similar interpretations of the fire agency agreement decided upon between the National association and the National Board of Fire Underwriters and the Insurance Executives Association, but Mr. Bennett's opinion is obviously just as applicable to the casualty situation.

American Casualty Adopts New Auto Rating Plan

Under a new plan for rating automobile public liability and property damage risks, the American Casualty of Reading, Pa., groups users of pleasure cars into three classes, designated A, B and C, according to their measured hazard. Rates in most of the territories are: Class A, manual symbol W rate, less 20 percent; Class B, manual symbol W rate, less 10 percent; Class C, manual symbol W rate. At the end of the first year of insurance, renewal is issued on the following basis: Class B, manual W rate, less 15 percent; Class C, manual W rate, less 10 percent. At the end of the second year renewal is written for: Class B, manual W rate, less 20 percent; Class C, manual W rate, less 15 percent. At the end of the third year Class C risks are written at manual W rate less 20 percent. The theory behind the plan, as explained by President H. G. Evans, is that the Class B and C risks are more expensive to write originally because of the need of more thorough investigation. After this additional cost is absorbed during the first two or three years of the policy, those classes are charged the same rate as Class A risks.

Casualty Underwriters Forum

The Casualty Underwriters Forum of New York will hold its annual dinner Nov. 18. Floyd N. Dull, vice-president of the Continental Casualty, will be in charge. The speaker will be Major W. P. Cavanaugh, manager claim department National Bureau of Casualty & Surety Underwriters.

H. P. Linn, vice-president, and H. J. Hudson, secretary Central Surety, attended the annual banquet of the Surety Underwriters Association of Chicago.

CASUALTY ASSOCIATION NEWS

Meek Addresses Adjusters

Pettiness Within Ranks Hampers Ability to Realize Real Insurance Competition—Election Held

J. T. Meek, secretary Illinois Chamber of Commerce, in addressing the Casualty Adjusters Association of Chicago on "Inviting Trouble," declared that the major trouble of business is its difficulty in realizing what constitutes real competition.

An election of officers was held. H. C. Dillon, superintendent of claims Chicago Motor Club, was elected president; J. J. Hermann, superintendent of claims Ohio Casualty, vice-president, and R. T. Luce, claims attorney Casualty Mutual, secretary and treasurer. Mr. Luce was reelected. D. W. Elliott, claims superintendent Bankers Indemnity, former president of the association, was unable to be present.

Animosities Distort Vision

"Business men allow petty animosities and jealousies to distort their vision which prevents them from clearly understanding the genuine benefits which are ever present," said Mr. Meek. He pointed out that the first of the competitive benefits which is far greater than petty bickering between insurance men, is with other methods or forms of handling the insurance program. "While insurance men fail to unite in developing their own industry," he said, "they are contributing to perplexities, legal restrictions and high taxes which invite any possible short cut to insurance protection." Business and the profit motive in business are on trial. Business men are beginning to realize that trade area competition is more important than competition between insurance men.

Theorists Dangerous

"The second type of competition is not so much the legislators as it is with those groups who practice the 'isms' and theories and bring a tremendous pressure for legislation against business and the profit motive in business," he continued. "It is vitally necessary for the insurance men to drop petty jealousies and invite the cooperation of the insurance buyers in a clear cut and strong protest against fallacies and costly restrictions, which not only block the industry but invite higher cost in new types of competition."

An examination of legislation affecting insurance generally, proves that the great majority of this legislation has been invited by the inability of the insurance industry to clean its own house, Mr. Meek stated. This inability arises to a great extent from lack of cooperation due to suspicion and a narrowed viewpoint.

Might Eliminate Danger

"The strong regulations of the code and the constant legislative attacks at insurance are sponsored by those who are cognizant of the bad things that have gone on," he said. "These things might have been eliminated by the industry itself, had it realized what constitutes the real competition of today."

Casualty Part-Time Agents

The Casualty Underwriters Association of New Jersey has had up the question of part-time agents and after considerable discussion it has been referred to the executive committee. This committee decided to contact C. W. Fairchild, acting manager Association of Casualty & Surety Executives. The association claims that these agents are doing business in the state on lines not permissible under the insurance law. Mr. Fairchild assured the committee that he would take the matter up with Deputy Commissioner Gough.

Casualty Actuarial Meeting

Important Addresses Will Be Given at the Annual Assemblage to be Held in New York

President F. J. O'Neill of the Royal Indemnity and President S. Bruce Black of the Liberty Mutual will be the chief speakers at the annual dinner of the Casualty Actuarial Society to be held at the Hotel Biltmore, Nov. 17. Leon S. Senior, president, in his address, will give "An Outline of Current Problems in Workmen's Compensation."

Other speakers and their subjects will be:

"Experience Rating Plan Credibilities," by F. S. Perryman; "Social Budgeting," by W. R. Williamson; "Pure Premiums for Compensation Insurance," by A. G. Smith.

On Nov. 18, "Investments of Casualty Companies" will be the topic for an informal discussion. Speakers have been named to treat the subject from the following aspects:

a. Appraisal of present investment position of casualty from standpoint of 1. income; 2. security of principal; 3. effect of market fluctuations upon net worth as reflected in published statements.

b. Desirability of present tendencies to require fixed interest securities—bonds, mortgages, etc.—in view of tremendous requirements of life insurance companies in this field and of dangers possible in still further widening the bond market. Is there a larger place for mortgages and can a workable common stock program be devised for casualty companies on an investment basis?

c. Effect of changes in money levels, (inflation or deflation), on the relationship between casualty companies' assets and liabilities.

Discuss Liability Adjustments

The San Antonio Claim Men's Association held a round table discussion of problems entering into the adjustment of public liability claims and of difficulties in dealing with the Texas industrial accident board, with a view to eliminating all causes of friction.

Paquet Boston Speaker

BOSTON—The Association of Casualty Underwriters of Boston heard a talk on "The Effects of Underwriting on Claim Experience" by Wilfred Paquet, Boston manager American Automobile, at its November meeting. President Dewey Neese presided.

Casualty Engineers Meet

The Casualty Engineers Association of Chicago will hold its first meeting of the season November 16, at 6:15 p. m. in the meeting hall of the Chicago Board of Underwriters. President J. C. Bradley, superintendent inspection department Zurich, will preside. The meeting will be an informal discussion to determine future activities.

Illinois Field Club Meeting

The new Illinois Casualty & Surety Field Men's Club will meet in Rockford Nov. 18, at the time of the Illinois Association of Insurance Agents' convention, to elect permanent officers and adopt the constitution and bylaws. A special meeting is being held in Peoria this week to draw up the formal articles. W. R. Purtell, Maryland Casualty, is temporary president.

Funeral services for W. J. Morcom, manager of the Newark branch of the Aetna Casualty, were held in Hartford Wednesday. He was a brother of C. B. Morcom, vice-president of the Aetna Life group.

Hearings on Code in New York to Be Resumed Nov. 15-16

Some Features to Be Discussed When the Joint Legislative Committee Meets

NEW YORK—Sessions of the joint legislative committee considering the proposed revision of insurance laws of this state, after several weeks lapse, will be resumed Nov. 15-16, at which time Article VI of the tentative code will be taken up, together with such additional articles as time permits. Article VI deals with the qualifications and practices of agents, brokers and adjusters, and recites at considerable length the method of licensing them and the character of the respective services they must render. The following article considers insurance contracts—fire, life, casualty and surety—and the conditions governing the writing of each. This article, too, is lengthy and is bound to induce considerable discussion.

Subjects to Be Reviewed

It is taken for granted further consideration will be given several subjects reviewed at earlier sessions, though not finally. Casualty officials notably had not had earlier opportunity to study the suggested changes applicable to their division with anything like the attention the importance of the matters deserved. The points in question have since been gone over in conferences among the officials, and they may be expected to define their attitude when the sessions are resumed next week.

It will be recalled a diversity of views developed when the wisdom of permitting the writing of overlapping coverages by both fire and casualty companies in relation to automobile risks especially came up last month, resulting in a declaration by Superintendent Pink that the carriers should agree among themselves on the subject, the problem being one for their solution and not for the department to decide.

Bennett Requests to Be Heard

W. H. Bennett, general counsel National Association of Insurance Agents, just prior to adjournment of the gathering Oct. 15 asked to be heard later on the proposed requirement limiting to 60 days the period within which outstanding premiums could be admitted as valid assets, instead of the 90 days now permitted. These questions, as well perhaps as certain others reviewed preliminarily at the earlier committee hearings, will doubtless be brought forward for more extended discussion, thought to what extent the committee will permit a review of topics already talked over is a question, in view of its desire to report to the legislature not later than Feb. 15. Whatever the decision of the committee may prove to be, it may be accepted that companies, agents, brokers and maybe assured will appear before the respective insurance committees of the senate and assembly and argue further on the proposed code regulations which they may or may not favor, when the code is before the legislature.

All assemblymen on the committee were reelected by their respective districts on Nov. 2 and will serve at least another year.

Employers Liability Entertains

At a dinner tendered by the Los Angeles branch of the Employers Liability, 50 agents were entertained and interested by talks given by Viscount Knollys of London, managing director, and E. C. Stone, United States general manager. Manager William Wittkoff was in charge.

Accident Cover Essential to Serve Clients Properly

The agent or broker who wants to be regarded as a real insurance adviser to his clients must provide them with accident insurance—income protection—if he is to deserve that title, E. H. O'Connor, United States Casualty, former chairman of the Bureau of Personal Accident & Health Underwriters, declared in his talk to the Chicago Accident & Health Club this week. He therefore advised them to "wake up and go to work," which was the title of his address.

"A number of insurance salesmen when they attempt to sell accident insurance approach their clients in a somewhat timid manner and often begin to make apologies for attempting to discuss the subject," Mr. O'Connor said. "Now what could be more foolish, when you are offering your client protection of a most vital nature, protection on the most priceless thing he has in the world—his income. You are calling to his attention protection more vital than any he now possesses. You have from time to time pointed out to a client the necessity of protecting his furniture, his automobile, his wife's jewelry and so forth, protection which has its place, but in reality it covers material things which can be repurchased and therefore replaced by the individual from out of his income. But contrast that with the individual who is disabled by accident and unable to carry on his business and professional duties and thereby derive an income. There you have a positive economic loss which cannot be replaced."

Protects Man's Livelihood

"There is no other line of insurance that is of more value to the business and professional man than that which protects the wherewithal from which he obtains his livelihood—his business or profession from which he derives his income. A man as long as he is able to carry on his business and professional duties will derive an income, and as long as no unforeseen contingency takes place, such as an accident or death, he will continue on year after year until he reaches his objective—retirement, but while that individual is engaged in his business or profession building up a nest egg to live on after retirement, should he be disabled by an accident and perhaps permanently so, what will take the place of that income? When we are in the best of health and busily engaged we use our income to maintain our families, educate our children, pay the interest on the mortgage on the home or pay rent—yes out of our income we supply the very food on the table. There is no more important protection than that which protects the human machine."

Render Personal Service

"The average individual has an automobile and if he doesn't have a garage on his own premises he places that car in a public garage and pays \$10 or \$15 a month for the safekeeping of that machine. In 12 months he has paid \$120 or \$180—for what? To protect the machine from inclement weather or perhaps from being stolen, a contraption that if it was destroyed by fire or stolen and was not covered by insurance, the same hands that created it in the beginning could recreate it—repurchase it. For one-half of that expenditure that same individual could protect the human machine by purchasing the best accident policy on the market in a goodly sum which would reimburse him in the event of disability."

"There is only one basic principle existing between an insurance broker or agent and a client. That is: 'How can you get close to your client?' I will answer that—it is only through rendering a personal service to your client, and the easiest and quickest way you can do that

is to cover him with an insurance that contains a real personal element and there is no other line that contains that quality more than accident insurance. I dare say that every broker in this town endeavors to sell his client automobile liability insurance. When he sells him an automobile liability policy in reality he sells him an accident policy, only instead of the benefits accruing to his client, they accrue to some stranger whom he might strike on the street while driving his automobile. How ridiculous to place insurance of this kind ahead of a coverage that protects the hands and brains that enabled the client to buy that automobile. If your client thinks well enough to buy protection for someone else, certainly you see the error of your ways in not selling this same individual protection on himself."

Old Excuses Worn Out

The two old excuses, "It is a line for a specialist," or "It is too complicated," are completely worn out today, Mr. O'Connor declared. He also refuted the claim made by some prospects that "do not need accident insurance" by citing statistics which have been widely publicized, stressing especially those which show the high accident frequency in the office or the home.

Reports were made by a number of the committees of the Chicago association. Announcement was made of the development of reciprocal relations with the Milwaukee association, including an invitation to members of the Chicago association to attend the December meeting in Milwaukee and the fact that 60 Milwaukeeans will be on hand for the Chicago association's "stag" in February.

Harold R. Gordon, chairman of the general committee in charge of National Accident & Health Insurance Week, spoke briefly on the plans for the 1938 observance.

Important Burglary Ruling Made by New York Court

An excess floater policy with a provision carrier is not liable if there is any other insurance on the property, except as excess, will not relieve a specific burglary policy from liability, according to the appellate division of the supreme court of New York in the recent case of Hoffman, et al. vs. Fireman's Fund Indemnity. This case upholds a judgment of the city court of New York returned last May.

Louis Siegel, one of the defendants, was a furrier operating at several locations. Fireman's Fund Indemnity issued a policy covering burglary at the specific location involved, the policy covering property owned by the assured or held by him as bailee or in trust or on commission or for safe keeping. American Equitable issued a floater policy covering at the location in question and at other locations, with a provision making it excess over other insurance.

Isabella B. Hoffman and several others stored furs with Siegel at the location involved. The premises were burglarized, with loss to Siegel's own stock and to the property of the customers. Fireman's Fund Indemnity was notified of the entire loss, settled with Siegel for the loss of his own property and secured a release, but denied liability for the loss of customers' property. American Equitable advanced money to the customers under a loan agreement and brought suit with them against Fireman's Fund Indemnity. The court held that the burglary policy covered the loss of customers' goods and that the release from the assured did not relieve Fireman's Fund Indemnity of liability to the customers.

Buyer Makes Two Important Bond Sales Suggestions

Kansas City Has Session in Fidelity Insurance Development Campaign

KANSAS CITY—John R. Moberly, attorney, and, as counsel for the Kansas City Public Service Company, an insurance "buyer," made two suggestions to fidelity bond men of this city. The occasion was the Greater Kansas City meeting of brokers, agents, and company men in connection with the fidelity insurance development campaign now in progress in western Missouri and Kansas. Rate concessions for regular audits and prosecution of defaulters were urged.

Mr. Moberly suggested a preferred rate on fidelity bonds covering employees of companies that have thorough and frequent audits made by disinterested accountants. Fire insurance companies give preferred rates to sprinklered risks, for instance. Such a preferred rate on fidelity bonds would stimulate companies to have periodical and effective audits. The effect of both is to cut down losses.

Cost of Exploratory Audits

Payment of large fidelity bond losses is made by carriers on the basis of competent and disinterested audits, Mr. Moberly pointed out. But, in some instances (and he has run across several of these), the assured discovers a small defalcation by an employe—\$500, say. The assured wants to go back over the books to determine whether other defalcations have been made, but the cost of such an audit might run as high as \$2,500 or so, and it may uncover only a \$3,500 or \$4,000 loss. In other words, the expense of an audit is so great, the assured sometimes does not have it made.

Charge Premium for Cost

Mr. Moberly wondered why carriers cannot include a small additional premium—by inserting a clause in the policy—for which the carrier will pay up to a certain amount (\$500, \$1,000, or what not) toward defraying the expense of an audit. This, of course, after an investigation by the carrier to substantiate that a loss exists.

Mr. Moberly pointed out that reputable fidelity companies with which he had come in contact earned credit on the side of liberality, fairness and pleasantness of dealings, but suggested the need for something of this sort.

Prosecutions Should Be Pushed

Prosecutions of persons guilty of peculations is necessary and desirable to deter defaulting employees, thinks Mr. Moberly. Yet the tendency of employers is toward leniency. The employer has insurance and too often doesn't care what happens to the guilty employee. Too often prosecution of such offenders lags or is overlooked, so that in institutions lenient in such matters losses actually are sustained more frequently.

Reasonable punishment should be assessed in all such cases, Mr. Moberly said, and suggested that in flagrant cases where the employer will not prosecute—for fear of false arrest or malicious prosecution suits—someone else should take the responsibility for that prosecution. A crime is not a crime against the individual victim alone, but against the state and society as well. Therefore, why not see to it that the case is presented to the grand jury? If it finds the evidence sufficient, it will indict, and there can be no liability on carrier or agent.

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*Our Agents are
Sales Leaders—*

ALWAYS ALL WAYS

BROAD COVERAGE AUTOMOBILE
INSURANCE AT PREFERRED RATES

UTILITIES INSURANCE COMPANY

A STOCK HOME OFFICE COMPANY
BROADWAY AND LOCUST ST. ST. LOUIS, MO.

(Rated A+)

*Direct contracts available for conservative
and successful agents in Illinois, Indiana,
Iowa, Missouri, Ohio, Nebraska, Colorado,
Oklahoma, and Tennessee.*

What's Your Definition of Stability?

HERE'S OURS—:

FOR
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PAUL W. PICKERING,
Secy. Treas.

Illinois—Indiana—Iowa

CHANGES IN CASUALTY FIELD

Taylor Is Boston Manager of Indemnity of N. A.

Dion W. Taylor has been appointed manager of the Boston office of the Indemnity of North America. He opened the first office of the company there in 1923. Later he went to Chicago as manager of the Alliance Casualty and recently has been in charge of the compensation and liability department of the Indemnity at the home office. He is a native of Philadelphia and started with the Maryland Casualty in 1913. He then went with the Travelers in its Philadelphia office. After service in the navy during the war he became liability underwriter at the home office of the Indemnity in 1920, and was in Boston 1923-1929.

American Casualty Changes

Joseph Zinder, who has been claims manager for the Cleveland service office of the American Casualty of Reading, has been promoted to a similar position at Chicago. Franklin Twyman of Chicago, who has had charge of the office, will devote all his time to the legal aspects of the business as claims attorney. R. H. Helmick, claims examiner at the home office, succeeds Mr. Zinder at Cleveland. J. J. McConnell, who has been with the Pennsylvania State compensation fund, becomes claims examiner at the head office.

Alan Boles with General

Alan E. Boles has joined the staff of General Reinsurance. He is a son of E. H. Boles, president of the company, and graduated from Yale in 1929. For the past six years he has been with the Travelers, first in Hartford and for the past two years at its Worcester, Mass., office, in the automobile underwriting department.

Morrison with Fireman's Fund

The Fireman's Fund Indemnity has appointed E. G. Morrison, engineer, to take charge of engineering and inspection work in Ohio. He is located at 1920 A. I. U. building, Columbus. He formerly operated an engineering and inspection service under his own name.

Opens Los Angeles Office

B. A. Van Tassel has been appointed vice-president and resident manager at Los Angeles for Surety Adjusters, with office at 548 South Spring street. Mr.

New Underwriter



D. K. SANDO

D. K. Sando has been appointed casualty underwriter by E. L. Stevenson, resident vice-president United States Casualty in charge of the Chicago branch office. Mr. Sando formerly was connected with Starkweather & Shepley, Childs & Wood and Bartholomay-Darling. He is a graduate of Butler university.

Van Tassel has had long experience in surety claim and adjustment work. For the past 11 years he has been with the Hartford Accident.

Gray Goes to Norwalk, O.

W. S. Gray, who has been with the Buckeye Union Casualty for the last two months as adjuster, is being stationed at Norwalk, O., and will service claims in the 11 north central Ohio counties. He has had 20 years' adjusting experience in a number of states. His office will be at 142 East Main street, Norwalk.

Joins Buckeye Union

L. Z. Smith has been named manager of the tabulating department of the Buckeye Union Casualty, Columbus, O. He has been with the United States Treasury department in Columbus and was for a year with the state tax commission.

G. A. Wolford, formerly in the field for the Ocean Accident at Kansas City, and more recently with the O'Brien-Hobart Agency, has gone with Mann, Barnum, Kerdoft & Welsh as a broker.

SURETY

Broadens Savings Bank Cover

United States Guarantee Modernizes Form, Reduces Rates on Better Experience

NEW YORK—In keeping with its policy of adapting coverage and rates to needs of mutual savings banks, the United States Guarantee issued a revised, liberalized form of its "NAMS" bankers' blanket bond at rates which showed reduction.

Broadened provisions were based on liberalization of New York insurance laws, suggestions from bankers and advanced ideas which the management had in relation to the needs and experience of savings banks.

Loss record of savings banks from an underwriting standpoint has been favorable and the business is competed for by surety companies. Savings banks, through introduction of mechanical tabulating machines, better account supervision and mechanical devices protecting against burglaries and holdups, have materially reduced losses.

Eight-Week Detroit Fidelity Course to Start in January

DETROIT.—The proposed fidelity course for Detroit agents, which was approved by the Detroit Association of Insurance Agents at its October meeting, was approved at the meeting of the Surety Association of Michigan with President J. C. Smith, American Surety, in the chair.

The course will be held once a week for eight weeks beginning in January and will cover both the fundamentals of the coverage and selling methods. Prominent fidelity men will be secured as lecturers.

Arrangements are in charge of Thomas Eggleston, Aetna Casualty, chairman, and Rankin Martin, National Surety; H. J. Jeffreys, Metropolitan and Commercial Casualty; A. C. Taylor, Fidelity & Deposit, and A. A. Clark, Standard Accident. George Bortz, Fidelity & Deposit, vice-president of the association, is acting as liaison officer between the Surety Association and the Detroit Board.

The short term tax bond situation was reviewed. The Bureau companies recently reduced their rates to \$1.80 per thousand of state and county payroll for this coverage from the former rate of

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\$2, and are actively engaged in a sales campaign to obtain a share of this business. The Towner Bureau a few days previously had notified the companies by wire that the minimum premium on these bonds has been reduced from \$5 to \$4.

Chicago Surety Association Holds Banquet and Election

The Surety Underwriters Association of Chicago held its annual banquet and election of officers with more than 75 members and guests attending.

New officers elected were: W. H. Wallace, Hartford Accident, president; P. O. Olsstad, Continental Casualty, vice-president; H. L. Dalton, National Surety, secretary; Walter Lane, U. S. F. & G., treasurer, and E. V. Mitchell, Continental Casualty, general counsel.

An elaborate floor show with six acts was staged by the Music Corporation of America.

A number of out of town guests attended, including F. C. McVicar, assistant secretary Hartford Accident; H. J. Hudson, secretary, and H. P. Linn, vice-president Central Surety; E. E. Kolb, assistant vice-president Maryland Casualty; C. C. Condon, vice-president U. S.

F. & G., and A. A. Miller, of the Gaedke-Miller agency, Milwaukee, Wisconsin, general agents Maryland Casualty.

W. O. Schilling, U. S. F. & G., past president of the association, officiated at the microphone, unexpectedly calling on various members and guests for "personal appearances," each being required to contribute something to the program. Mr. Schilling also installed the new president.

Bankers Committee Reports on Rates and Coverages

NEW YORK.—Substantial reductions in rates, broadening of coverage for banking institutions and a clarification of certain policy or bond contracts, were noted by the insurance committee of the American Bankers Association, in its annual report. Based upon the Towner Rating Bureau's estimate the decreases in blanket bond rates effective last July 1 mean a saving of approximately \$1,200,000 annually to the banks of the country. The Towner Rating Bureau also guaranteed a reduction in rates for security bonds ranging from 20 to 25 percent in October.

The insurance committee will copy-

right "an improved form of bank burglary and robbery" to be available not later than Feb. 1, for attachment to blanket bond forms 2 and 8, riders extending materially the coverage under both forms.

The committee will continue its study of the bankers' limited forgery bond; the bankers' blanket forgery and alteration bond and the forgery and alteration supplementary to bankers' blanket bond and standard form No. 8 revised, with a view to revising and consolidating them into one contract with insuring clauses that may be purchased separately according to the needs of each insured bank.

Estwick Surety Group Head

At the annual meeting of the Surety Underwriters Association of New York City, W. H. Estwick was elected president, M. V. O'Malley vice-president and W. S. Donaghy, secretary-treasurer. Members of the executive committee are: R. J. Hill, Jr., J. B. Duke, William Twamley, J. R. Wells and G. A. Peterson.

Miss Cleo Rainwater, formerly assistant to Dr. J. C. Williams, medical director National Mutual Casualty, Tulsa, Okla., was married to R. W. Lovett, Jr., of Muskogee. She is succeeded by Cassandra Scott.

ACCIDENT-HEALTH

Amateur Athletes Covered

Income Guaranty Extends Policy, Heretofore Issued Only for Schools, to Other Groups

The Income Guaranty of South Bend, Ind., which about four years ago started writing athletic accident policies covering school and college teams, has now extended that coverage to other amateur athletic teams. Boys after leaving high school still have the urge to go on in many lines of sports and amateur leagues are being formed all over the country. Due to the fact that after leaving high school these participants in sports are not subject to the strict discipline and expert care and coaching provided in the schools and the possibility of having poorer equipment supplied, it was necessary to rate the policies slightly higher than those issued to the schools.

The premium rate for amateur football teams is \$7 per person, covering all scheduled games, all practice sessions and transportation to and from places of play and practice. The premium rate for sports other than football under the same coverage is \$5 per person. This will include amateur basketball, baseball, hockey and many other sports. The policy pays \$250 for loss of life, \$100 to \$250 for dismemberment and \$10 to \$80 for other scheduled injuries.

The company is also issuing a new hospitalization contract, covering both accident and sickness, which provides \$5 per day for 28 days of hospital confinement in any 12 consecutive months, up to \$10 for operating and delivery room, \$10 for anesthetic and \$5 for x-ray, excluding x-ray for teeth. The initial fee is \$1 and the premium thereafter 75 cents per month. It is issued to male and female risks between the ages of 10 and 65.

Monarch Life Dedicates Its New Home Office Building

The growth of the Monarch Life from its inception as the Masonic Mutual Accident in 1901 was related by President Clyde W. Young at the dedication of the Monarch Life's new home office building in Springfield, Mass.

From meager resources in a one room office the company has progressed through periods of war, epidemic and acute business depression, development of the automobile accident hazard, new legislation and difficult investment conditions, said Mr. Young. In 1921 the name of the Masonic Mutual Accident was changed to the Masonic Accident and in 1924 it became the Monarch Accident. The Monarch Life was organized in 1926 and in 1931 the two companies were merged.

The new building is a monument to individual initiative and self-reliance. The policyholders demonstrate these characteristics in making provisions for themselves and their families, said Mr. Young.

Political Control Dangerous

MILWAUKEE.—Accident and health insurance can be handled more efficiently by private companies than by the government, John A. Keelan, secretary and agency manager of the Time, told the Milwaukee junior chamber of commerce. The address was broadcast over a local radio station.

"The business of insurance is administered by thousands of highly trained executives and employees who devote their lives to the study and solution of this great problem," Mr. Keelan said. "Supervising the fair and just application of accident and health insurance requires the services of experienced laymen and members of the medical profession who are not dependent upon the capricious whims of politics for their

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jobs. Private companies writing accident and health insurance are well financed with assets of \$15,000,000,000 to meet any losses."

Oklahoma Association's Setup

The collection office of the Mutual Life & Accident Association of Frederick, Okla., has been removed to 411 Terminal building, Oklahoma City. The home office will remain at Frederick. New officers have been elected as follows: L. W. Herrod, president; R. M. McComb, vice-president, and V. G. Brown, secretary-treasurer, all of Oklahoma City. In addition to the officers, directors include E. L. Reece and E. C. Brown of Oklahoma City.

Celebrate 10th Anniversary

KANSAS CITY.—The Postal Life & Casualty celebrated its 10th anniversary with a dinner party for officials, stockholders and employees. Assets of the company, which does a direct-by-mail business, have grown from \$27,000 to \$450,000.

McDonough on California Trip

LOS ANGELES—James C. McDonough, vice-president and director of agencies Massachusetts Indemnity, is here for a week visiting State Manager

W. E. Lebby. Next week Mr. Lebby will go to San Francisco with Mr. McDonough to visit Edward Brown & Sons, who represent the company as general agents in northern California. This week a testimonial luncheon in honor of Mr. McDonough was attended here by many of the leading general agents and managers of Los Angeles.

George Is Philadelphia Speaker

PHILADELPHIA.—H. M. George, manager of the accident and health department of the New York City office of the United States Fidelity & Guaranty, was guest speaker at the luncheon meeting of the Philadelphia Accident & Health Club, offering practical suggestions in solicitation. Mr. George is vice-president of the Accident & Health Club in New York City and has general direction of its educational feature.

Tenth Anniversary Luncheon

NEW YORK—Officers of Seaboard Surety will give a luncheon for the directors at the Ambassador Hotel here Nov. 27 commemorating the anniversary of the Seaboard's founding 10 years ago. Under the guidance of President C. W. French, Seaboard Surety has become an increasingly important factor in the surety field.

WORKMEN'S COMPENSATION

National Council Will Meet

Annual Gathering to Be Held at Its Headquarters in New York City Next Month

NEW YORK.—Notice of the annual meeting of the National Council on Compensation Insurance to be held at its office, 45 East 17th street, Dec. 2, has been issued by General Manager W. F. Roeber. The agenda includes presentation of the annual report of the general manager; election of committees, and any other matters that may properly be brought up.

Representatives of the carriers on the board of appeals, four members of the governing committee and all members of the rates committee are required under the constitution to be elected annually. The present members of the board of appeals are: J. S. Phillips, Great American Indemnity, representing the stock carriers, and J. L. Train, president Utica Mutual, non-stock offices.

Members of the governing committee whose terms expire this year are: Lum-

berman's Mutual, Michigan Mutual Liability, Maryland Casualty and Ocean Accident & Guarantee, the holdover members being American Mutual Liability, Liberty Mutual, Aetna Life and Travelers.

Membership on the rates committee is composed of 10 stock companies and a like number of non-stock institutions. The stock companies now upon the committee are: Aetna Life, Employers Liability, Fidelity & Casualty, Globe Indemnity, Hartford Accident & Indemnity, Maryland Casualty, Ocean Accident & Guarantee, Travelers, United States Casualty and United States Fidelity & Guaranty. The non-stock representatives are: American Mutual Liability, Casualty Reciprocal Exchange, Employers Mutual Casualty of Iowa, Employers Mutual Liability of Wisconsin, Hardware Mutual Casualty, Interboro Mutual Indemnity, Liberty Mutual, Lumbermen's Mutual, Michigan Mutual Liability and Utica Mutual.

Report Michigan Business Is Being Lost to Lloyds

LANSING, MICH.—Recent reports from licensed companies to the Michigan department indicate that more and more business in the workmen's compensation field is being lost to London Lloyds and that there is a particular spurt of activity at this time on the part of Lloyds in the state's petroleum fields where hazards are great and manual rates are correspondingly high.

The business appears to be going to Lloyds through a number of channels but it has been impossible, so far, for the department to prove any direct agency connections which would make possible prosecution of individuals in this state. The contracts are almost all closed in Canada and are the result, in most cases, of "advice" from corporate counseling organizations which solicit large employers for a "service" by which it is promised to reduce their compensation costs. They are told to self-insure and obtain excess aggregate coverage from Lloyds. No plan for writing this form of coverage has ever been filed with the department by the National Council on Compensation Insurance, so licensed carriers may not write it.

The recent effective date of the occupational disease act broadening the compensation law is expected to stimulate business for Lloyds providing they want this business in the high rate classifications.

Pennsylvania Rate Increase of 72% Predicted by Kelly

PITTSBURGH.—Increases in benefits to injured of approximately 76 percent and increases in compensation rates of about 72 percent will result from the new compensation and occupational disease laws in Pennsylvania, said Gregory C. Kelly, manager Pennsylvania Compensation Rating Inspection Bureau, at a special meeting of the Casualty Association of Pittsburgh. Under the new laws compensation cases that have been

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Caterpillar. The etymologists are all at variance as to the origin of this word. Can it be, as suggested, compounded of the English word cater, to provide provisions, and the French piller, to steal? This derivation, at any rate, has the merit of being descriptive; a caterpillar does cater, by stealing from our gardens.

—“Words, Facts and Phrases,” Edwards

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TRADE JOURNAL

closed as far back as 10 years ago can be reopened, said Mr. Kelly. Failure to post a notice that compensation insurance is carried makes employers liable to a fine of \$25 a day for each day of the omission under the new law.

Later at a meeting of the Western Pennsylvania Safety Engineering Conference Mr. Kelly voiced the opinion that the cost of the new legislation will not bear heavily on anyone, despite increased rates.

D. L. Ullman, chairman state compensation board, speaking at the safety conference, declared that the occupational disease law will not substantially increase total cost of compensation because of more intensive preventive and inspection measures which will be adopted.

COAL RATES UP 80 PERCENT

Announcement has been made that compensation rates for coal mine risks in Pennsylvania will be increased about 80 percent effective Jan. 1 when the new law greatly increasing the benefits becomes operative. Decision has not been reached as to the extent of the increase in the miscellaneous classifications.

For years, while the benefits under compensation laws in other states were gradually being stepped up, bringing successive rate adjustments, the Pennsylvania laws were unchanged. When a labor-minded administration got in power and a labor-minded legislature was seated, steps were quickly taken to adjust the compensation statutes. The benefits immediately were made to correspond to or exceed those found in other states where the process had been taking place gradually. Accordingly the employers are going to be faced with an enormous increase in their compensation costs the first of the year. Not only are the regular compensation benefits being liberalized, but an occupational disease law goes into effect.

The possibility exists that some employers, faced with this increase, will go on a self-insurance basis.

Michigan Compensation Staff Talks to Detroit Adjusters

DETROIT.—The Detroit Adjusters Club was host to members of the Michigan department of labor and industry at a banquet with President William Heidt, Detroit Edison Company, presiding over

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the business session and Ralph Lacey, insurance attorney, as toastmaster.

Chairman G. A. Krogstad, Commissioner Besse M. Garner, director of the compensation division; Commissioner J. F. Cassin, Secretary Joseph Ashmore, Colonel Boer, assistant secretary, and Deputy Commissioners Harris and Palaiher spoke.

Chairman Krogstad outlined the aims of the department. Commissioner Garner discussed the new occupational disease law. Many have found much fault with the medical arbitration of contested cases provision and claim it is unworkable. Commissioner Garner said the department has developed a workable solution for this problem.

There was a discussion of the practical application of compensation practice before the commissioners on contested cases, in which the commissioners gave their ideas on how such cases can be most satisfactorily conducted and how delays may be avoided and arbitration cases speeded up. The department has developed a pre-trial docket by means of which postponements are arranged before the day set for trial of the cases by agreement by both parties. This will do much to speed up compensation cases as delays have been caused in the past by the opposing sides appearing on the trial date only to have one side ask for and receive a postponement.

Only Attorneys Can Appear Before Compensation Court

LINCOLN, NEB.—Presiding Judge Coffey of the state compensation court, replying to a request of the state bar association that his court assist in the association's drive to prevent unlicensed persons from practicing law, says he will do so because the state law indicates that aside from the injured employee no person may appear before the compensation court unless licensed to practice law.

He says that at the same time the bar association should do something about the excessive fees that have been charged by attorneys for getting compensation awards. The amount of such fee is now limited only by the conscience of the attorney, and as the public has an interest in compensation cases, he believes district judges should fix such fees. Any excess demanded and taken should be a matter for investigation by the state bar association and such conduct halted by invoking disciplinary powers of the courts in cases where fees are extortionate.

Judge Coffey says the compensation court is considering refusing approval of lump sum settlements where the amounts of attorney fees and disbursements of every kind that are to be made from the fund are not set out fully in the settlement agreement.

Wisconsin Coverage Lower

MADISON, WIS.—An average weekly rate of \$22.11 was paid in compensation in 1936 in 20,926 cases settled by the Wisconsin industrial commission, compared with \$29.47 for 1935, and a low of \$20.72 for 1933; 18.4 percent of all 1936 compensation cases were settled on a wage basis of \$30 a week, the maximum under the law.

Under an amendment to the Wisconsin act adopted at the last session, normal full-time earnings at the time of injury are made the basis for payment of compensation, even when an employee is working part-time.

Alabama Payments Mounting

MONTGOMERY, ALA.—Alabama industry paid out \$522,751 under workers' compensation laws in 1936, compared with \$220,291 in 1935, Commissioner Julian reports. Compensable cases in 1936 totaled 4,563, compared with 3,308 in 1935. Mr. Julian said the chief reason for the increase probably was increased industrial activity in the state.

NEWS OF CASUALTY • COMPANIES

Angelus Indemnity Ceases

Los Angeles Company Taken Over by California Department for Liquidation

LOS ANGELES — Commissioner Carpenter has taken over the Angelus Indemnity of this city under a liquidation order. About a year ago when impairment and non-liquidity first became apparent following examination, it was hoped the company might be saved for reinsurance by requiring its withdrawal from other states and reduction of writing to automobile, thus permitting minimum capital of \$100,000.

However, it was impossible for the company to qualify even with the reduced capital requirement, and last week upon Mr. Carpenter's solicitation the Commercial Standard of Texas issued a 30-day binder covering policies of the Angelus Indemnity filed with the railroad commission, under the same 10 day cancellation provisions as Angelus policies.

The Commercial Standard is reviewing the business and such as it does not desire permanently to insure is being canceled. All other Angelus Indemnity business will be immediately terminated under the liquidation order.

To Specialize in Bail Bonds

SAN FRANCISCO—It is understood that the Coast Indemnity, now in process of organization here, is to confine its efforts to writing bail bonds and that a firm prominent in that line of business is active in the organization of the company.

Standard Accident Report

The Standard Accident for the first nine months reports an underwriting profit of \$450,267. Net interest and divided earnings totaled \$379,875. Assets are now \$22,386,602, an increase of \$1,605,594 for the nine months. Surplus to policyholders increased to \$3,866,601.

The **Continental Casualty** has declared the regular quarterly dividend of 30 cents a share payable Dec. 1 to stockholders of record Nov. 15.

Chairman



CLAUDE W. FAIRCHILD

C. W. Fairchild, acting manager **Association of Casualty & Surety Executives** and former Colorado commissioner, has been appointed chairman of the New York City committee to arrange a luncheon for the commissioners who will be in attendance at their midyear meeting in that city Nov. 29-Dec. 1.

Record Given for 9 Months

Continental Casualty Expects to Reach the Twenty Million Mark in Premiums for this Year

The Continental Casualty reports net operating profit for nine months amounting to \$1,008,000. This compares with \$268,074 for the first nine months of last year and \$1,189,360 for all of 1936. The underwriting gain for the nine months was \$527,000 compared to \$241,000 last year. The investment income was \$58,100, against \$50,900 last year. The net premiums written for the nine months were \$15,709,000, an increase of \$906,000. It is estimated that the total this year will be \$20,000,000. The capital is \$1,750,000. The surplus as of Oct. 1 was \$4,573,750 as compared with \$3,903,196 Dec. 31, increase \$670,554 after paying \$315,000 dividends. The surplus gain was due to a decrease in contingency reserve to \$2,050,000 after allowing for changes in security values from \$2,700,000 as of Dec. 31, a decrease of \$650,000. The assets as of Sept. 30, were \$30,849,000, compared with \$29,003,090 Dec. 31. The premium reserve was \$8,781,991, as compared with \$8,125,172, loss reserve \$11,833,362 as compared with \$10,780,520.

To Rehabilitate Company

Franklin Mutual Placed Under Care of Department Due to Difficulties in Taxi Line

Difficulties encountered by the Franklin Mutual of Chicago on taxicab business caused it to be placed under rehabilitation by Insurance Director Palmer of Illinois. This was done at request of the officers, the order being issued by Superior Judge Niemeyer of Cook county, Ill. F. J. Bartsch, head of the liquidation bureau of the department in Chicago, and C. C. Dawes, former president of the Franklin Mutual, were appointed special deputies to assist in rehabilitation.

It is likely it will be found necessary to levy an assessment against policyholders. However, there is every chance the company can be put in position, by various economies and more conservative policies, to work out of its difficulties. This will be the first test of the rehabilitation section in the new Illinois code. The method was employed before adoption of the code in handling business of the National Life of U.S.A. and other companies which had to suspend operations during Mr. Palmer's regime.

The Franklin Mutual's investment picture is said not to be bad. Its trouble arose largely over writing taxicab coverage, which is compulsory on taxicab operators in Illinois, at what proved to be an inadequate rate.

Convention Examination

Assets of the Franklin Mutual were found in a convention examination by the Illinois and Kentucky departments to be insufficient to meet statutory requirements. The company Dec. 31, 1936, reported assets \$248,188, surplus \$80,187, net premiums \$434,568. The Franklin Mutual specializes in automobile, being licensed in Illinois, Indiana, Kentucky and Michigan. Officers besides Mr. Dawes were: vice-president, Clarence Lauer; secretary, DeWitt Cleland; treasurer, Kurt Hitke.

This company originally was known as the Franklin Automobile Mutual, having been organized in May, 1930. The present title was adopted early in 1934.

Farmers Automobile Report

The Illinois department has made a report on the Farmers Automobile of

Pekin, Ill., as of Dec. 31. It writes full cover automobile business, being a reciprocal. Its assets are \$367,530 and premium reserve \$82,300, claim reserve \$32,033, surplus \$222,552. The examination shows that it is efficiently and economically managed and in sound financial condition. The attorney-in-fact is the Tazewell Farm Bureau Service Co. The two main people are Edward Schrock, who is president and treasurer, and Paul Jack, secretary. Its maximum coverage is \$3,000 for fire, theft and collision, \$30,000-\$60,000 for liability, \$5,000 for property damage and \$2,500 for cargo. Its excess over net line is reinsured. The premiums are from 15 to 25 percent off manual for collision, public liability and property damage, while in other lines they are about manual. It has about 120 agents. Its premiums last year were \$253,306, total income \$280,595, losses \$114,383, total disbursements \$221,048.

Cooperative Casualty Licensed

The Cooperative Casualty of Clayton, Mo., has been licensed and will write full coverage automobile insurance. The insurance is written about 25 percent below manual for liability, property damage and collision and full tariff is secured for fire and theft. Fred A. Gissler, trust officer Mississippi Valley Trust Company of St. Louis, is president; Carl Mausshardt, investment man, vice-president; S. B. Wagoner, Wagoner Insurance Agency, secretary, and R. E. Petersen, treasurer.

Globe Indemnity Figures

As of Oct. 1, the Globe Indemnity shows assets \$36,973,451, voluntary reserve \$3,488,684, premium reserve \$7,662,300, loss reserve \$14,577,896, capital \$2,500,000, net surplus \$5,000,000.

The Michigan department has licensed the **Manhattan Mutual Automobile Company** of New York for automobile property damage and public liability.

Buyer Makes Two Sales Suggestions

(CONTINUED FROM PAGE 25)

Mr. Moberly felt that such a campaign as is being conducted here now is of wide interest to buyers because greater volume in sales should eventually reduce premiums. Prosecution of offenders also will tend to reduce rates because it will tend to reduce losses, he said.

More than 150 attended the meeting. L. L. Bebout, U. S. F. & G., who is president of the Casualty & Surety Underwriters Association of Kansas City, presided.

L. B. Fowler, field supervisor, bond department, Aetna Casualty & Surety, advocated two standard bond policies which can be adapted to any business, the commercial blanket bond and the commercial position bond.

Moulton Green, vice-president of R. B. Jones & Sons, Kansas City, represented agents on the program. He asked what agents are doing to build their fidelity business. The important thing, thinks Mr. Green, is not a complete technical knowledge of bonds by agents but getting the sales story to prospects who are not protected.

Fidelity bonds are renewable risks that stay on the books, said W. J. Nichols, superintendent, fidelity division, bonding department, Standard Accident, Detroit. The field is vastly undersold, and yet agents have an unlimited supply of human interest sales material.

The meeting, which started with luncheon, is one of a series being addressed by fidelity bond agents or company men throughout the territory during the campaign.

WANTED
Adjuster for automobile insurance company in Illinois. Prefer young man 25 to 30 with experience. Reply in own handwriting, giving age, experience, references, etc. Replies will be treated confidentially.

ADDRESS G-69, NATIONAL UNDERWRITER

PERSONALS

James K. Miller, Jr., secretary-treasurer United Automobile, Grand Rapids, Mich., is the father of a baby girl, Aurora Clare.

Frank McCormick, compensation examiner with the Wisconsin industrial commission, has completed 30 years of service with the commission. He first was a court reporter and when the com-

pensation act became effective about 25 years ago, he became an examiner.

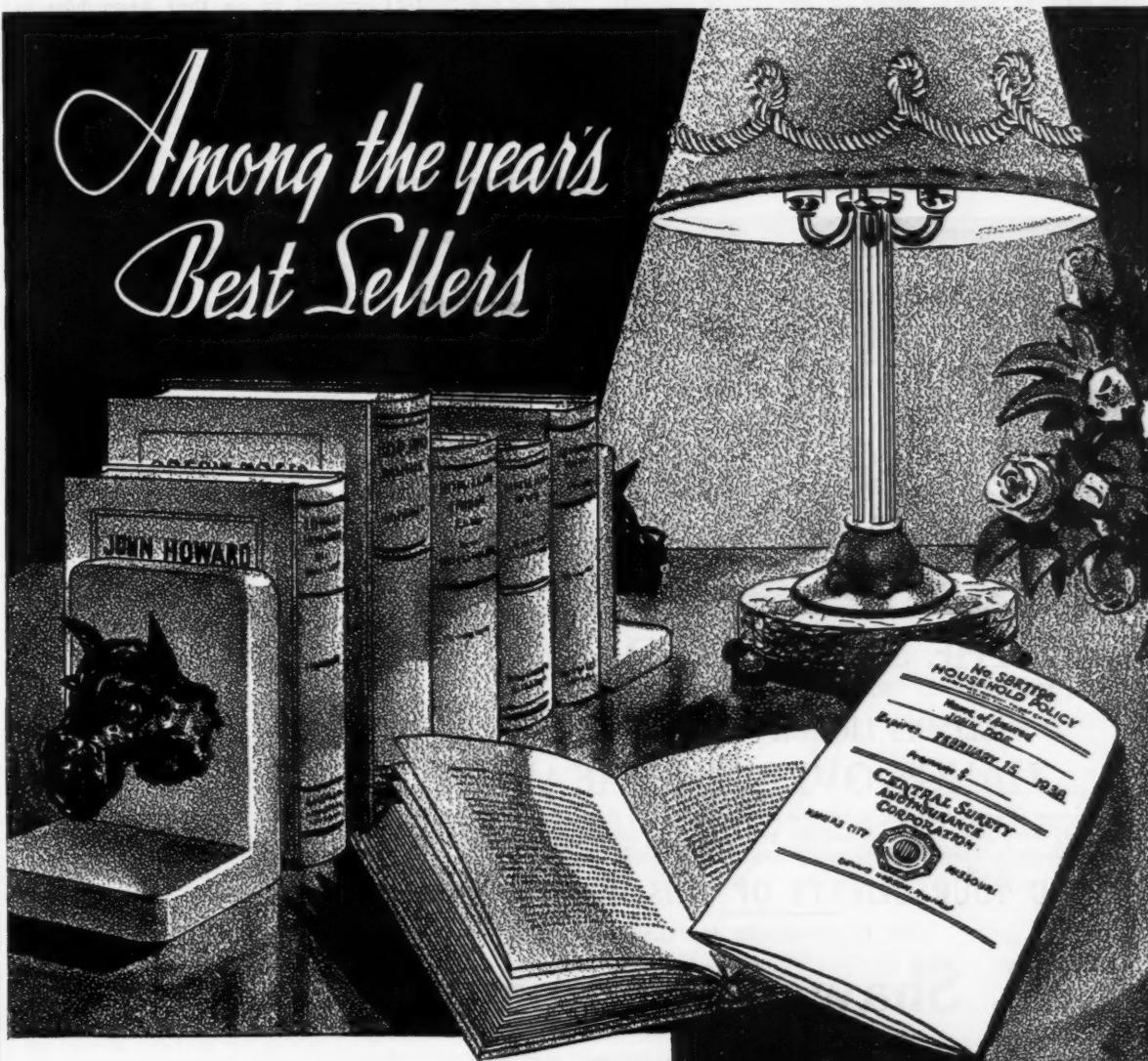
Frank Chandler, Jr., a son of the former well known Chicago casualty manager, underwent an operation in Wesleyan Memorial Hospital there this week and is coming along satisfactorily.

H. C. McLaughlin, 51, an adjuster with the State Automobile of Des Moines, was killed in an automobile accident near Algona, Iowa. McLaughlin's job was investigating highway tragedies and at the time of his death he was driving to

make an investigation of the deaths of three persons killed in an automobile accident near Livermore a few days before.

L. A. Dennis, president of the Shelby Mutual Plate Glass & Casualty, this week started his 26th year with that organization. He joined the company as a special agent and claim adjuster in 1912, became secretary and manager in 1918, and president in 1928. He is a director of the Insurance Federation of Ohio.

Read "Surety Agents' Guide" by Lunt. \$1.50. Order from National Underwriter.



A Burglary, Theft, Larceny, Robbery and Personal Holdup Policy to satisfy the requirements of a modest household, with an appealing premium charge.

**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY, MO.

DENNIS HUDSON President

CAPITAL
\$1,000,000.00

SURPLUS
\$1,210,810.45

OTHER LIABILITIES
\$3,891,346.10

ADMITTED ASSETS
\$6,102,156.55

As at Sept. 30, 1937

duces an abnormally large number of frequent and severe claims.

"It has been shown that those insured falling in the second and third general classification produce a greater acquisition expense. In order to promulgate just, reasonable, non-discriminatory and non-preferential rates it is essential that the additional acquisition cost be absorbed by general classifications two and three, rather than be spread throughout the entire three classifications which would be unfair discrimination in the amount of premium charged the Class 1 risk."

The question arises in the minds of some of the executives as to how far the department will ask them to justify any reduction they make where they have not sufficient experience to reach the conclusion that the department may desire.

The best that the companies hope now is to secure a continuance of the time the ruling goes into effect, which is set for Nov. 15. Companies declare that with all their advertising literature, rate manuals and rules out, it will be a heavy job to get new filings out to replace them. Then the question arises when new filings are made whether they will be approved.

There are a number of companies that are not listed among the occupational rating offices that do allow a discount for pleasure only cars. They differentiate entirely between cars used only for pleasure purposes and those that are used in business to any extent. If companies are not allowed to differentiate between business cars and pleasure cars used in business then undoubtedly the objectionable or undesirable applicants will be eliminated through underwriting processes. Some companies have been penalizing undesirable occupations charging even a higher price than manual

SEEK EXTENSION APPROVAL

SPRINGFIELD, ILL.—An extension probably will be asked this week from Director Palmer of Illinois by a number of companies which have been writing automobile on the occupational rating basis, from his ruling prohibiting this method of rating and requiring filing a "non-discriminatory" rate scale by Nov. 15.

A dozen or more companies writing this form feel the little more than a week's notice that they were given is not sufficient in which to prepare a substitute schedule. If the substitute should prove unacceptable there would be required an additional filing and their business would suffer by the delay, they feel.

There is a possibility that there will be some contest of the order. While the offices doing this class of business have been in touch with each other, no organization of them has been attempted. It is most likely that a majority of the companies will meet the problem by filing a flat deviation from manual, possibly 20 percent off.

There has been a growth of thought toward the 20 percent filing with a credit of 5 to 10 percent for no claim record. However, some managers fear this would cause assured who have minor accidents not to file claims so they could have a perfect record. However, such claims eventually might turn up in court and cost the carrier considerable money.

Continue to Issue Policies

Companies, it is said are continuing to issue policies under the occupational plan up to the deadline set by Director Palmer. It is likely that any continuance would permit them to write on the old basis until final decision were made by the director.

No plan of writing insurance has caused more comment or interest in recent years than the occupational automobile rating method. A number of offices largely through this means have grown to some size. The occupational plan has been a thorn in the side of organization stock companies which, saw it as discriminatory among assured.

Companies writing under this method, however, argue that it is no different in principle from other approved plans of writing various types of insurance. They

point out that trucks are written under four classes at different rates, the theory being the varying use of the trucks.

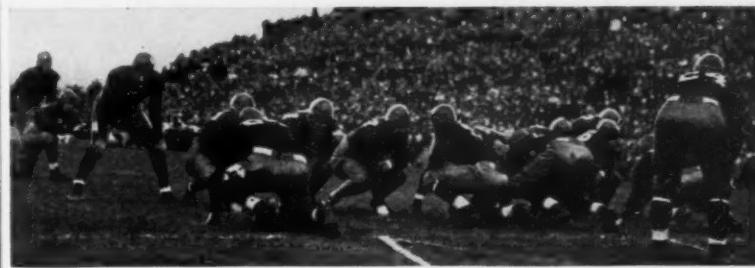
Any court tests of the plan which may result undoubtedly will be based on the theory that the use of a car determines the hazard, the exposure and loss experience—in classifications sufficiently large to be reliable. In essence the theory is best seen in the example of two assured apparently similar in every respect, perhaps next door neighbors, driving the same kind of car, but one being a white collar executive who drives his car little and then largely on city streets, while the other is a salesman driving at high speed 1,000 miles or more a week.

Companies writing occupational automobile feel the different hazard and exposure of the salesman inevitably results in most costly loss experience. Their theory is that it is discriminatory to write both risks at the same rate, for the better type of assured, as a classification, then would have to help pay losses on his neighbor.

They state this theory has been thoroughly justified in practice over the last three years and they have shown loss ratios on the occupational rating basis considerably under those on the regular basis. Supervisory authorities, however, may feel that loss experience covering only three years is not conclusive.

Another factor in the situation is mutual competition. The mutuals have been going after the cream of the business, they also considering the preferred drivers to be select risks. With their lower acquisition cost and dividend inducements they are able to quote rates that are attractive.

Sam P. Walker has withdrawn from the Hugo, Walker Agency of San Antonio, and will operate an agency under his own name at 1010 Milam building there. Mrs. Alice Hugo will continue the agency at the old address in the Alamo National Bank building, and Gus J. Groos, Jr., will be associated with her in the Hugo, Groos Insurance Agency.



A COMMON-SENSE "BACKS UP THE LINE" CONTRACT THAT

Excess Insurance begins where ordinary coverage leaves off. Many of your clients need it.

To cover those innumerable contingencies which "can't happen" but do, Excess Insurance, to many of your clients is indispensable.

Excess provides the extra margin of safety and guards against unexpected and ruinous catastrophe.

For years this organization has specialized in Excess coverage in all lines, **Underwritten by Prominent Underwriters**. We shall be glad to outline the contract best suited to your client's needs.

R. N. CRAWFORD & CO., Inc.

Insurance Exchange, Chicago Telephone Wabash 2637

Headquarters for "OUT-OF-THE-ORDINARY" Contracts

INSURANCE MEN!

Make EXTRA Money Writing Credit Insurance

Without disturbing your present setup, you can increase your earnings vastly by adding Credit Insurance to your "line."

You serve dozens—perhaps hundreds—of Jobbers and Manufacturers who vitally need this protection for their open accounts. In these days of rapid changes, strikes, riots, business upheavals, they are greatly interested in any program that will make selling safer, profits surer, and capital more liquid—that's what Credit Insurance does, positively and economically.

You already have your clients' confidence. You can easily rouse their interest in Credit Insurance by presenting its fundamentals with enthusiasm.

asm. You secure entry for our trained representative, who covers the technicalities, recommends proper coverage, etc. You'll receive liberal compensation in this co-operative selling.

American Credit Insurance is carried by over 200 different lines of business—billions of sales are insured annually—more than ever before.

"American" is now in the midst of the biggest advertising campaign ever undertaken by this company—a barrage of ads in magazines, newspapers, trade publications, direct mail, etc.

Our nearest office will give you details of how we co-operate with you. Or write to headquarters.

**American Credit Indemnity Co.
of New York J. F. McFadden, President**

Chamber of Commerce Bldg., St. Louis, Mo.

Offices in all principal cities of United States and Canada

E. A. St. John Was Outstanding Man

(CONTINUED FROM PAGE 23)

best sales managers. Mr. St. John entered the National Surety service in 1908, and this marked the beginning of a career that made him a conspicuous character. He was sent to Chicago to become head of Joyce & Co., general agent of the National Surety. While he was not acquainted with the surety business in any respect and he did not try to hide his lack of knowledge he dealt with men in an open way and made friends as he went along.

When Mr. St. John started in Chicago there was much suspicion among surety managers. The Towner Rating Bureau did not come into being until the next year. Mr. St. John inspired confidence and people trusted him. Therefore he became the center of the surety ring and he inspired his associates to believe in one another and cooperate. He was in Chicago eight years. He served as president of the Chicago Surety Underwriters Association and also for a year was president of the National Association of Casualty & Surety Agents.

Called to Home Office

President W. B. Joyce of the National Surety called him to the home office and he became vice-president Jan. 15, 1916, president in 1922 and vice-chairman in 1931. When the present National Surety was organized in April, 1933, to succeed the old company, Mr. St. John became vice-president.

Mr. St. John was an outstanding executive in the surety field. He could not be called an underwriter or technician, nor did he have profound knowledge of suretyship. He was a salesman, because he had the factors that enter into successful salesmanship. He had the personality that accompanies those men who have risen to the heights in the production field. Mr. St. John possessed a very gracious and amiable nature. He was cordial and democratic. He had a hearty handclasp and wherever he went he inspired confidence. He did not attempt to mislead nor gloss over a situation. He gave and took like a diplomat; he did not rub people the wrong way. He entered the surety field without a knowledge of bonds and without experience. He probably could not differentiate between the different types of bonds. Yet he became a successful executive and his influence was often felt.

Many Present at Funeral

Aside from the National Surety staff and officials of other companies there were present from out of town the following National Surety people: Chicago—C. H. Burras, B. J. Nietschmann and E. A. Luther; Detroit—T. E. Griffin; Boston—A. F. Wallen of the John C. Paige & Co.; Philadelphia—Thomas Schock, Robert Schaller, Wm. F. Roberts, Thomas Smith and David Smith; Syracuse—Donald Welch.

While Mr. St. John never became an underwriter, he absorbed much information as he went along. He studied underwriting principles and developed into a successful administrative officer. He became president of the International Association of Casualty & Surety Underwriters and also president of the New York Casualty & Surety Club.

As he mingled with people one could not but be impressed with his imposing appearance, his fine presence, his sunshiny nature and cordial demeanor.

Mr. St. John had been to his office seven days previous to his death. He had played at his golf club the Saturday before and on going to the club house he broke out into a very profuse perspiration. From that time forward a severe cold set in, which developed into pneumonia.

Mr. St. John was an exception to the office boy tradition of entering the insurance business. After Mr. Joyce went to the home office of the National Surety, he and Mrs. Joyce lived at a hotel in

New York City where Mr. St. John and his wife resided. Mr. St. John was in charge of sales in New York state for a publishing house. He and Mr. Joyce became close friends. Charles Crane, who became president of Joyce & Co. in Chicago after Mr. Joyce had gone to New York, had recently died and Mr. Joyce urged Mr. St. John to take his place. Mr. St. John said he had no insurance experience and did not even know the difference between various bonds. Mr. Joyce said that the underwriters in the office knew enough about the insurance business and what was needed was a salesman. Mr. St. John accepted the position in 1908 and went to Chicago, where he was located until 1916, when he went to the home office.

St. John Was Democratic

Mr. St. John was a great success in getting new business, as his personality attracted everyone. He had a vast store of energy, was congenial and people liked to do business with him. C. H. Burras, president Joyce & Co., Chicago, recalls Mr. St. John was hailed from every direction when he walked down the street. Mr. St. John was unusually democratic and everyone was his friend, no matter how high or low. Mr. Burras tells of an incident when they were going to an appointment together and Mr. St. John had been stopped several times by people who talked to him. Finally one man kept talking to Mr. St. John for 10 minutes while Mr. Burras patiently glanced at his watch, as they were then late for their appointment. Mr. Burras asked who the man was and Mr. St. John said he had been a janitor in some apartment building in which Mr. St. John had once lived. On another occasion when Mr. St. John was visiting Chicago he made a special visit to the Rookery building, where Joyce & Co. was located for many years, in order to talk for 15 minutes with the veteran elevator starter.

One of Mr. St. John's worthy accomplishments is that he secured the first completion bond ever written in the surety business. It was on the Scholle Furniture Co. building in Chicago, constructed in 1910. In later years whenever Mr. St. John had occasion to pass the building he recalled with pride that he had written the completion bond.

Remarkable Executive in Casualty Field Honored

(CONTINUED FROM PAGE 23)

concern came to New York and merged with Guarantee & Accident Lloyds, which ran for a few months.

In 1894 United States Mutual Accident of New York was about to fail and Mr. Lott and a number of others organized United States Casualty which took over the business of Guarantee Lloyds and United States Mutual. The business of United States Mutual was reinsured without a cent of remuneration. It was a case of taking the business in the hope of working it out over a period of time at a profit. That it was expensive is indicated by the fact that United States Casualty started with \$150,000 surplus and ended the first year with \$33,000 surplus.

Mr. Lott, in New York, started right out to get acquainted with everyone and George F. Steward, who was then president of Fidelity & Casualty, invited Mr. Lott to join the Liability Conference. This was natural for Mr. Lott to do. He was a mixer, got along with older men and enjoyed participating in discussions and attending meetings. He soon was appointed to committees and became a factor in the business.

Staff Was Limited

The staff of the Liability Conference, at that time, Mr. Lott recalls, consisted of a statistician, a stenographer and record keeper. Most of the work that is now done by the bureau staff had to be done by the individual company representative. Meetings were much more frequent than they are today. The executives sat around tables and made in-

dividual rates. It was a matter of give and take. For instance, the rates for teams liability in New York City might be on the agenda.

"I think they ought to be raised," the executive of one company would say.

"I don't think so," another might argue. "We're making money on the present rates." Then the argument would be well under way and the outcome would be a compromise. Statistics didn't mean much in those days, Mr. Lott states. The collective judgment of the executives was what was relied upon.

No Golden Era

That was no golden era insofar as compliance with rates and rules was concerned, according to Mr. Lott. There was constant complaint about the lack of adherence to rates. If a company desired to give the appearance of compliance and still get the business, it would be very likely to increase the commission to the agent, so that the latter could rebate.

There was a succession of disturbers, the most sensational of which was American Casualty Insurance & Security of Baltimore, known in the trade as "the Big Indian," because of the symbol used in its advertising, or as the "Baltimore whale." That company was blazing a purple trail from about 1890 to 1893.

Then there was the Guarantors of Philadelphia, the general manager of which later landed in jail. This concern advertised widely: "Not a Member of the Casualty Insurance Combine."

Another disturber of consequence was the American Employers Liability of New Jersey.

Loss Reserve Situation

One of the principal factors making for instability in those days, Mr. Lott recalls, was the lack of any experience concerning loss reserves and the failure of those in the business to grasp the conception of the importance of this feature in casualty operations. There was no schedule P in those days. Those in the business were deluded by favorable results on a premiums collected and losses paid basis in the early years. Weaknesses and hidden liabilities were slow to develop and adequate provision was not made for the full force of the loss potentialities in third party lines. For instance \$100,000 of employers liability premiums might produce \$7,000 in paid losses the first year. The second year there might be \$14,000 more paid on account of those same premiums; the third year there would be another \$21,000 and for several years thereafter there would be payments of a few thousands on account of that flock of premium.

Mr. Lott will always be remembered for the campaign that he headed to minimize mutual competition. He got interested in the subject following the meeting of the National Association of Insurance Agents in Richmond, Va. It appeared to him, he now states, that the agents were whipped by mutual competition, they were running to cover, crying for help, lying down. Each speaker at the Richmond meeting told a worse story than the one that had spoken previously, Mr. Lott states.

"I felt that the agents lacked spirit, courage, fight," he says.

Man of the Hour

When he returned from the Richmond convention, Mr. Lott wrote an article giving his views on the subject. This was timely. A man had arisen at the hour. There was a tremendous response. Mr. Lott heard from agents throughout the country. He came into greater and greater demand as a speaker and writer. He made the rounds of the various agents conventions and became the spear head of the movement to combat mutual competition. "The thing grew on me and it was a case of having the bull by the tail," Mr. Lott states.

His mail was enormous. People were writing in to give him suggestions, to furnish evidence, statistics, etc., including renewals of previously insured risks expiring in some other company.

that he could use and individual agents by the hundreds were asking him what they should do to retain this or that line, which had been lost to the mutuals. Some 15 or 20 agents associations adopted resolutions, praising Mr. Lott and he was made an honorary life member in half a dozen such associations. Mr. Lott was prominent in this activity for about 10 years.

Mr. Lott is not the crusading type, naturally. He is not rabid, he doesn't pound the table and get a gleam in his eye when mutual insurance is mentioned. About the most extreme statement he will make is that the theory of mutual insurance is wrong, that it is not insurance when a man insures himself. Yet for years he sat on a charger.

Looking over the field today, Mr. Lott expresses satisfaction. Every casualty company, he remarks, has the situation better in hand and is earnestly trying to build surplus against what happened in 1929.

Flexibility of the Business

Mr. Lott was asked his opinion of the complaint commonly voiced these days by agents, to the effect that the casualty business is in a straitjacket, that it does not adequately meet the requirements of the public and is not sufficiently flexible.

"Think of the dozens of different types of policies that are issued by casualty companies, as compared with those issued by fire companies," Mr. Lott replied. "There is an honest effort on the part of casualty companies to meet and anticipate the requirements of the public. The time will never be reached when an agent who isn't able to get a contract written as he wants it to be written won't complain that the companies are old fashioned. There would be no stability in the business if it were not for the bureau. That is vital. We can't make up an individual policy for each risk to conform to the judgment of the agent. I wish that the business could be made more flexible but I am not smart enough to make it so."

Every Law Justifiably Broken

Mr. Lott remarked that there is no law that has ever been made that hasn't justifiably been broken. For instance, there might be a sign in a park "Keep off the grass." If a child fell into a pool in the park, no one would say that a man should not cross the grass in order to rescue the child. There are some who might say that the rule should then be changed to: "Keep off the grass except when it is necessary to get on it in order to rescue a child."

Mr. Lott's active connection with the casualty business in an administrative capacity just about covers the history of casualty insurance. The first employers liability policy was written in October, 1886 by the Employers Liability and that probably is the date that fixes the commencement of modern casualty insurance. Previously casualty insurance was personal accident insurance and that alone.

U. S. Casualty Dividends

One of the things about which Mr. Lott is very proud is the policy of the United States Casualty in regard to the payment of dividends to stockholders. It paid no dividends until 1904 and since then its dividends have been no more than about 40 percent of the investment income.

Mr. Lott started with U. S. Casualty as assistant secretary in 1895. He became secretary two years later, general manager in 1901, president in 1908 and chairman in 1936. He is at his office every day, working full hours and is fit.

Inspection Fee Is Eliminated

The Continental Casualty announces that heretofore it has been customary to charge an inspection fee of \$5 on each individual risk when a liquor control bond is written in Illinois. It announces that it has arranged to eliminate this inspection fee on renewal submissions, including renewals of previously insured risks expiring in some other company.

POINTERS FOR LOCAL AGENTS

Application of Coverage to Merchant's Needs Explained

The possibilities in the sale of what he termed "financial insurance" were outlined by Hal Harvard, San Jose, Cal., local agent, at the annual meeting of the California Association of Insurance Agents in Hollywood. The average merchant places his stock insurance and sundry lines on a reciprocity basis with agents trading at the store. In parceling out insurance in this manner no one has much of a contact with the storekeeper and as a result he knows nothing or little of insuring his financial losses. To sell the merchant the coverage he needs an agent has to come out of the small policy class and interest him in something new. It is not easy, as most merchants do not give information readily and will not even give it to the bank unless forced to. Bankers are glad to cooperate in the sale of complete protection to the merchant, as they depend on the merchant's business. In San Jose, a city of some 80,000, bankers say that they have open lines of credit for 70 percent of the merchants, so they are intensely interested in keeping these accounts active.

Takes Average Store

To explain his financial insurance plan, Mr. Harvard cited a store with an average stock of \$15,000 with a turnover each 90 days. The mark-up runs from 20 to 50 percent with a sales total of about \$75,000 and net profit of about \$15,000 a year. The merchant has a good location and a valuable lease that has time to run in the face of increasing rents. In addition he has employees who have been with him some time. In order to hold his present lease at renewal he agrees to pay rent for the full period of occupancy. The merchant also handles one well known brand of merchandise and is the sole agent. This constitutes 35 percent of his business. He is a typical merchant whose business is seasonal, with fall and spring peaks, and it is customary to hold annual sales to clear the stock for the peak periods. In addition to his average stock of \$15,000 he has a line of credit of \$10,000 at local banks which he uses regularly. At the peak he has \$25,000 on hand, part on 30 days, part on note, at the bank and part with his own capital invested.

Income All Important

The income from his business is all important to the merchant. Owning it means nothing to him without income. The agent is hitting at the most vulnerable spot when he talks about income, so the merchant is receptive to the use and occupancy insurance plan.

If the merchant is forced to go out of business for a few months he loses valuable employees, as they go some place else to work, so he will be interested in insuring their staying in his employ if he can be told how to do so. The average employee who has been in one store for a long time will not change unless he is forced to do so.

The merchant is also interested in his lease and he is not going to pay the monthly rent from his own account or borrow the money from the bank if he can insure this, especially when it costs so little. It also will be easy to show the merchant that if the plant which supplies his favorite line is out of commission he will lose a material part of his income. Details of the contingent use and occupancy form are simple and easy to apply in such a case.

The semi-annual sales represent a lot

of time and money in marking down merchandise, having signs set up, newspaper and other advertising, all for six days of income. "What is to happen if the weather prevents the people from taking advantage of this offering or should a fire occur at that time?" asked Mr. Harvard.

"If we are to insure the financial interest, we must know these things do happen and we must sell our coverages to cover these expenses. It can be done and if you do not do it, some up and coming agent in your town is going to do it and you will lose that little policy you now get because you buy a hat once a year from this merchant," said Mr. Harvard.

The merchant may lose as much as \$30,000 in a full year, taking into account the \$15,000 annual income, \$8,000 for indispensable employees, \$2,400 rent, \$1,200 for advertising, \$2,500 collection costs, office expenses, etc. The U. & O. policy may be written for either a third or one-half of the \$30,000 for a premium equal to or slightly greater than the fire premium. The coverage on the outside plant which the merchant represents on an exclusive basis is the same simple form for a third the amount in the first location and this account provides a third of the figures used in the first instance. The exposure of sales days may be

handled by rain insurance as a matter of routine after the other coverage is provided.

To be able to sell these coverages the agent must know his subject well. He should consider the coverage as income insurance and the program for coverage must be worked out with the same care as the life agent uses in preparing a program of life insurance and income insurance. The information can be secured from the merchant if the agent is sincere and the merchant is sure that the information he gives will not be traded. With all the details it is no great task to work up a program.

In selling this form of protection there are many methods of approach, but Mr. Harvard does not feel that any standard form can be used successfully. Each individual case is a personal matter and it will take more than one call to close such a sale. Methods must be devised for holding interest and eventually making the sale. In selling financial insurance the agent will get the entire line and be in position to demand more and more of other lines and be rendering a real service to the merchant.

Using Football Tickets

Local agents who reside in cities where there are important football games can take advantage of the event for business purposes. One local agent, for example, said that his firm bought every year a number of tickets to the best games. A week or so before a game a member of the firm would call up an important customer and say that he had a couple of tickets to the game but would not be able to go. Therefore he offered

them to his customer. This agent declares that football tickets are about the only gifts of this kind that an agent can safely offer to an assured without incurring displeasure. Anyone will accept football tickets with good grace and the mercenary motive will be overlooked.

Functions of U. & O. Are Explained by F. L. Erion

(CONTINUED FROM PAGE 5)

the premises of others upon whom insured depends for materials. Many business men contract with others for certain materials or parts and while usually they can in an emergency find another source of supply, it is quite likely to be at an increased cost which lessens their profit.

In addition to the risks included in the supplemental contract the business man faces the chance of U. & O. loss occasioned by sprinkler leakage, boiler explosion, machinery breakdown, etc., in his own plant and the further chance that he may suffer a loss of earnings due to those disasters in the plant of others from whom he secures vital materials or parts without which his own operations are curtailed or stopped entirely.

The forms offered are not immediately understood by the average business man and unfortunately few will take time to study and analyze them therefore the responsibility of selecting the proper form usually falls upon the insurance man.

Stress Earnings Coverage

If the fundamental fact that the intent of the forms is to insure earnings is kept uppermost, you will have little trouble in equipping yourself with satisfying answers to the questions asked by prospects.

What form shall you select for your client? That is an easy question because only the contribution form is flexible enough for all situations. It costs a little more but it is more than worth the additional cost.

The present contribution forms literally applied in full compliance with the intent of the committees who prepared them will yield equity to both insured and insurer.

Per Diem Losses Favor

The once popular per diem form is fast losing favor. Its popularity was largely, if not entirely, due to the fact that it had one feature the average insured could understand, i.e., the amount collectible for each day of total suspension. Few of them realized that it could not be collected unless it would have been earned and none of them that the partial suspension clause was equivalent to the 100 percent coinsurance clause.

For mercantiles there is now available the "agreed amount form" which requires a guaranteed amount of insurance in lieu of the open amount coinsurance feature. The amount guaranteed is based upon previous experience per report of certified public accountant. Some merchants prefer this new form though except for the coinsurance feature it is identical with the contribution form.

Extra Expense Coverage

There is a form of insurance akin to U. & O. called "extra expense" insurance. Its purpose is to furnish indemnity to concerns who would suffer little, if any, loss of gross income if their premises were destroyed but who would be forced to incur "extra expense" to keep up their activities. It is intended for service concerns such as newspapers, laundries, milk distributors, etc.

Survey Crime Cover Needs

The application of insurance protection against crime losses was discussed by H. E. Charlton of Seyler-Day Company, Los Angeles, before the California Association of Insurance Agents annual meeting in Hollywood. An agent should first learn as much about the prospective risk as possible and the first interview with the prospect should be devoted entirely to obtaining information with no effort to sell anything, said Mr. Charlton. A survey will show the hazards to which the business is exposed and the amount of protection which should be furnished to insure each of the perils.

The financial statement of the prospect is one of the important things which should be secured. This can be obtained prior to the interview through a commercial report. It should include the amount of capital invested, approximate cash balance in the bank, an idea of the inventory and the volume of business transacted. In addition, information must be secured from a client on the average amount of cash kept in the premises, a description of the vault and safe, night watchman service, burglar alarm protection and other safeguards available which are given premium credit; details of the inventory values of particular types of merchandise, particularly susceptible to loss by burglary; what checks are cashed for customers.

Other Questions

Other questions should include use of outside collectors and messengers, the average amount the messengers carry, a description of the conveyances they use or protection by armed guards, special steel lined satchels and other protective devices. A list of employees should be secured to show the number of people working in the office, inside sales people, outside sales people, collectors, messengers or delivery people,

chauffeurs, watchmen, etc. The accounting methods should also be studied.

By first obtaining this information the client is impressed with the fact that the agent knows his business and that he is intelligently interested in the client's problems and willing to give unselfish advice.

Accounting Is Important

A knowledge of the accounting methods of the prospect is extremely important in considering crime losses, said Mr. Charlton. The only place to determine the amount of loss to which the insurance company is liable in the case of a crime loss is from the records of the accounting department. If they are inadequate or the system is lacking in any essential particular, no basis can be found for a prompt and correct payment of the loss.

Mr. Charlton feels this is so fundamental that it is better to reject the business of prospects without adequate bookkeeping methods. The prospect can be told that the agent is unwilling to sell any policy where he is not certain that a loss when sustained can be proved and collected. In some cases Mr. Charlton has been able to make suggestions to correct the accounting system and not only make the risk more desirable to the company with which it is placed but to prevent any serious dispute in the settlement of losses.

After the basic information is secured it is necessary to prepare a survey and report. Before this is done it is a good idea to study the rating manuals for provisions in special endorsements. Any one of these permissible rules indicate that at some time some agent has sold an idea to his client for some special protection to meet that client's particular needs. These provisions may be applied to advantage in special cases.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Iowa Federation's Meeting

J. A. Gunn, Employers Mutual, Re-elected President at Annual Gathering in Des Moines

DES MOINES.—At the annual meeting of the Insurance Federation of Iowa, J. A. Gunn, president Employers Mutual Casualty, Des Moines, was reelected president and H. H. Haynes, editor "Underwriters Review," reelected secretary-treasurer.

New vice-presidents are Harry Green, Homesteaders Life, and K. G. Ellsworth, Aetna Casualty; vice-presidents reelected: J. H. Bunten, Fire Association; Currie Chase, Iowa State Traveling Men's; A. B. Loranz, Automobile Association, all of Des Moines; H. P. Pratt, president Iowa Association of Insurance Agents, Sioux City, and C. J. Schrup, Dubuque Fire & Marine.

J. H. Marshall, Massachusetts Bonding, and Robert Colflesh, Iowa counsel for the National Board, are new directors. Those reelected are: F. H. Noble, American Surety; H. B. Carson, Mill Owners Mutual; C. E. Ford, local agent; Max L. Holmes, local agent; W. H. Harrison, National Fire; H. B. White, counsel U. S. F. & G.; C. E. Brown, Mutual Life of New York; H. F. Storjohann, Hawkeye Casualty; J. K. Lorenzen, Bankers Life, and P. H. Luin, Yeomen Mutual Life, all of Des Moines; R. D. Austin, Iowa Hardware Mutual, Mason City; Karl P. Blaise, Inter-Ocean Reinsurance, Cedar Rapids; R. W. Forshay, local agent, Anita; M. H. Falkenhainer, Druggists Mutual, Algona, and Sam T. Morrison, local agent, Iowa City.

There was some discussion of a proposal to recodify the insurance laws of Iowa, but no action was taken at this time.

To Inspect Burlington, Wis.

Burlington, Wis., will be inspected Dec. 6. W. K. Porter of the Burlington Board is in charge of arrangements. H. K. Rogers, Western Actuarial Bureau, will speak.

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Wisconsin Committees Named

President Thornton Announces Personnel of Executive Committee, Chairmen of Other Groups

MILWAUKEE.—W. C. Thornton of Fond du Lac, president Wisconsin Association of Insurance Agents, has announced the appointment of the executive committee to serve under F. Lee Conroy of Oshkosh, who was elected chairman at the convention at Oshkosh. The members appointed are Willard V. Jackson, Eau Claire; J. R. Schuster, Beloit; Grove Miller, Racine, and Hugh A. Bird, Beaver Dam, immediate past president.

Officers and members of the executive committee met here to lay out a course of activity for the coming year. President Thornton named chairmen of various committees as follows: Public relations, W. B. Calhoun, Milwaukee; rural agents, H. A. Bird, Beaver Dam; membership, Ralph Martin, Milwaukee, and legislative, L. C. Hilgemann, Milwaukee.

The selection of Mr. Bird as chairman of the rural agents' committee brings to that important position a man who himself is vitally interested in rural problems. He was chairman of the rural agents' conference at the recent state convention and was active in similar discussions at the Dallas national convention and the earlier mid-year meeting. The rural problem was definitely placed in the Wisconsin association program during Mr. Bird's term as president.

More Severe Tests Urged by Ohio Agents Association

The Ohio Association of Insurance Agents has asked that all questions and answers which the state division of insurance requires applicants to answer before they are granted licenses be withdrawn and more difficult ones be asked, which will show the applicant's knowledge of the contracts of insurance. It is urged that a specific and a larger number of questions be asked, that all be based on the contract and not on the suitability or good faith of the applicant, and that an applicant who fails in one examination not be permitted to take another examination for a year.

The number who have taken examinations has been smaller than the number of applications filed, because many feared to take the test. However, more than 90 percent passed, which is considered too high, indicating, it is stated, the weakness of the system.

To Honor Clyde B. Smith at Testimonial Dinner Nov. 16

LANSING, MICH.—A testimonial dinner to Clyde B. Smith, former president of the National Association of Insurance Agents, is being planned by the Lansing association for Nov. 16. Mr. Smith served the local board as president twice before heading the state and national associations and another two terms subsequently.

It is planned to invite agents from a number of nearby towns and cities, including Jackson, Owosso, Charlotte, Grand Ledge, Mason, St. Johns, Eaton Rapids and Portland. It is possible that some of the state association leaders will be in attendance, also. The principal outside speaker will be Earl Vogt, advertising manager for the Millers National, Chicago. Brief tributes to Mr.

Muskegon Agent Is Leader of Many Years



FRED L. WINTER

The Muskegon, Mich., "Chronicle" featured Fred L. Winter, prominent local agent of that city, vice-president of Chaddock, Winter, Mulder & Alberts, as he started his 31st year in agency work. He has been vice-president of his firm since it was formed eight years ago. Mr. Winter formed a partnership with the late Max Lang, Nov. 1, 1907. On Nov. 1, 1908, C. I. Chamberlain joined the agency and it became Lang-Chamberlain-Winter Company. It was Muskegon's first incorporated insurance agency. Then Mr. Lang retired and the firm operated as Fred L. Winter, Inc., until Jan. 1, 1930, when the agency merged with the G. C. Chaddock and Roy E. Alberts offices.

Mr. Winter started in an insurance agency in June, 1899, following his graduation from high school, going with L. B. Smith. Therefore he has been in insurance for 39 years. This agency was later succeeded by F. D. Smith & Co., the senior member being a brother of L. B. Mr. Winter has taken an active interest in insurance organizations. He served as president of the Muskegon Association of Insurance Agents and was president of the Michigan Association of Insurance Agents for two years. He is active in the Emanuel Christian Reformed church.

Smith's service to the business and to the local board will be paid by a number of other speakers, including Commissioner Gauss and Tom King, a director of the local board, and a member of the Michigan State College coaching staff.

O'Boyle Back on Executive Committee in St. Louis Peace

ST. LOUIS.—J. F. O'Boyle, a broker for the Charles L. Crane Agency, has again been elected a member of the executive committee of the Fire Underwriters Association as a brokers representative. L. P. Cremins, a broker for the Lawton-Byrne-Bruner Insurance Agency Company, who was placed on the committee when Mr. O'Boyle became ineligible when the Crane agency was dropped from the association in the recent in-and-out dispute, resigned the past week to pave the way for Mr. O'Boyle to resume his old post.

The executive committee of the Fire Underwriters Association of St. Louis has sent to all members of the association a complete list of the fire insurance

companies that were in line with the in-and-out rules of the organization as of Nov. 9.

Remain in Agency

Companies that elected to remain in the Marsh & McLennan-Case, Thomas & Marsh agency were the Fire Association, Century of Scotland, Crum & Forster and the London Assurance.

Other companies that are outside the ranks of the Fire Underwriters Association include the Firemen's of Newark group, Pacific National and Western of Fort Scott. The Buffalo and Northwestern National each have a few agents who are members of the association but a majority of their agents in St. Louis are not in the organization. That situation is covered by special rules adopted several years ago permitting certain agents to continue with those companies under certain conditions.

Business Development Rally Held at Elkhorn, Wis.

MILWAUKEE.—Wisconsin field men and local agents cooperated in the Business Development district meeting at Elkhorn, the first agents' convention in Oshkosh, at which full cooperation was offered in the Business Development program. About 100 attended, including city and rural agents of Racine, Kenosha, Rock and Walworth counties.

Thomas Larkins, special agent Hartford Fire and immediate past president Wisconsin Fire Underwriters Association, was general chairman and commentator. F. R. Neal, Beloit local agent, was chairman. Talks and papers were given by Wm. J. Tucker, Beloit; Grover Miller, Racine; Hans Hansen, Kenosha, agents; C. R. James, Aetna Fire; P. F. Lewis, Boston; Fred W. Edler, New York Underwriters; E. R. Bock, Liverpool & London & Globe, and Warren Johnston, Springfield F. & M. Others taking part included W. Conan Thornton, Fond du Lac, president, and John G. Seidel, Milwaukee, secretary-treasurer, Wisconsin Association of Insurance Agents, and C. H. Dachenbach, United States Fire, president of the Wisconsin field men.

The state has been zoned into 14 districts and it is proposed to hold regional meetings in each district. Special attention is being given rural agents and their problems.

Educational Program in Milwaukee

MILWAUKEE.—Henry Eckstein of C. F. Hibbard Company, chairman of the Milwaukee Board's fire prevention committee, is urging local agents to cooperate with the annual fire prevention school of the Milwaukee Association of Commerce.

C. R. James, special agent Aetna Fire, is chairman of the school. T. Alfred Fleming, National Board conservation director, spoke on "New Chemical Fire Hazards in Industry" at the first session this week. Claude Bawden, inspector Underwriters Laboratories, will speak on "Magic and Fire" Nov. 16, and Eugene Hackett, fire prevention bureau Milwaukee fire department, on "Fighting Milwaukee Fires." The Western Actuarial Bureau will show educational fire films.

Terminate Mutual Receivership

LANSING, MICH.—The Ingham county circuit court has terminated the receivership, in effect since 1931, of the Empire Mutual Fire of Flint. The order releases Commissioner Gauss as receiver and G. G. McDan, Lansing insurance accountant, as active receiver. Claims outstanding which will never be paid are estimated at from \$35,000 to \$40,000. It is questionable whether the active receiver will realize a reasonable fee. Legal fees will not be paid in most instances, it is stated. Because of the lack of money

Forks, talked on "How Vulnerable Are We?" and "An Organized Sales Campaign" was handled by H. A. Paulson, state agent North America.

At the Devils Lake meeting A. F. Powell, local agent, was chairman. The following spoke: H. A. Paulson, state agent North America; A. J. Swenson, special agent Great American; F. A. Nelson, state agent Norwich Union Fire, and H. A. Presler, state agent Massachusetts Fire & Marine. H. A. Bolton, state agent National Fire, spoke on "Farm Business." The general discussion centered mostly around farm business.

The Minot meeting was opened by H.



NOVEMBER, 1937

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• Physicians, surgeons and dentists who own valuable instruments and other apparatus used in their professions are prospects for Scientific and Surgical Instruments Insurance.

• The best way to use folders is either to send them with sales letters to pave the way for your call or to hand them to a prospect during a sales call. Write to our Sales Promotion Department for a set of our folders and see for yourself what keen selling tools folders can be.

• Explain to your customers the advantage of "staggering" premiums—arranging the expiration dates of policies so that the assureds will not have the burden of too much premium falling due at any one time. Large buyers of insurance prefer to have their policies expire at different dates so that payment of premium may be distributed over an entire year or, in the event of term business, over a period of three or five years.

• Every working day this month, plan to see three prospects you have not called on before, three prospects whom you have seen but not sold, and three old customers who should have a coverage they do not now carry.

• Here are some examples of sales promotion aid we send to our agents: sales letters that snap the reader to concentrated attention—small newspaper ads that thrust the rest of the printed page aside—a monthly magazine which is a handbook for aggressive selling. They are yours for the asking, together with the alert service of our field men and our Sales Promotion Department—if you are our agent. Our booklet "Planned Progress" gives all the facts. Write for it!

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W. Montgomery, local agent. Speakers were: T. P. Davis, state agent Phoenix of Hartford; M. T. Hower, state agent Liverpool group; Harold Montgomery, Minot, and O. A. Florence, special agent Hartford Fire. Meetings were also held at Dickinson and Bismarck.

Michigan Mutual Agents to Meet

A number of current problems of Michigan agents will be discussed at the meeting of the Michigan Association of Mutual Insurance Agents in Lansing Nov. 17. President John H. Loerch will preside, aided by Secretary Wilbur Thomas, American Underwriters Corporation.

Helm Speaks at Chisholm

CHISHOLM, MINN.—Clyde B. Helm, secretary Insurance Federation of Minnesota, spoke on insurance at the November meeting here of the Range Association of Insurance Agents.

Hold "Paul Coffman Month"

BLOOMINGTON, ILL.—The Freese & Jefferson agency, for the second consecutive year, has termed November "Paul Coffman month," in honor of D. P. Coffman of Lincoln, Ill., who has been special agent of the New York Underwriters in central Illinois for more than 30 years. Last November the agency sent the company several hundred dollars in new business in honor of Mr. Coffman.

Dempsey with Myers Cooper Co.

N. G. Dempsey has been appointed manager of the insurance department of the Myers Y. Cooper Co., Cincinnati. He was formerly connected with N. J. Edwards Co. as a solicitor and has several years' experience traveling in the southern Ohio field for the Eureka-Security Agency, Cincinnati, and in West Virginia with the Pearl-American fleet.

Convention Reports at Wichita

WICHITA, KAN.—The Wichita Insurers met Wednesday instead of Thursday, as all offices closed for Armistice Day. Reports of the National convention and Kansas convention were given by President Byron S. Chapell, Vice-president Howard N. Fullington and Frank T. Priest.

Zimmer Retires, Reinsures

P. F. Zimmer, who has been executive head of several assessment hail and fire companies in Nebraska over a period of years, has retired and will go to California. He has reinsured in the Capitol Fire of Lincoln all business of the Nebraska National Fire.

Plan B. D. Meet at Abilene

The Kansas Business Development committee announced a regional meeting at Abilene Nov. 16. A meeting of the new executive committee of the Kansas Association of Insurance Agents is proposed for the same date, President G. D. Hussey, elected at the Topeka meeting, announced.

Management Council Speakers

Speakers at the Cincinnati Management Council, sponsored by the Cincinnati chamber of commerce, included: Wallace Rodgers, assistant manager Western Underwriters Association, Chicago, "The Stock Company"; H. S. Frazine, state agent Associated Factory Mutuals, Cincinnati, "The Mutual Company"; W. P. Proctor, vice-president E. W. Brown, Inc., New York City, "The Reciprocal," and J. P. Kerrigan, manager Hartford Steam Boiler, Cincinnati, "Boiler and Machinery Insurance."

New Officers for Ace Mutual

DES MOINES—Harrington Buck, president of Directors Mutual, has been elected president of Ace Mutual, succeeding Ray Dodge of Davenport. V. L. Barts, Cedar Rapids, becomes vice-president and G. A. Spooner, Des Moines, secretary-treasurer.

President Buck will continue as managing head of the Directors Mutual which writes fire and windstorm, and will also act as manager of Ace Mutual, which writes automobile insurance.

Headquarters of both mutuals will be at 632 Des Moines building.

Twin Cities Women's Activities

H. E. Rudolph of the St. Paul office of the Aetna Casualty spoke at the Nov. 9 dinner meeting of the St. Paul Association of Insurance Women on "Safety."

On Nov. 15 Commissioner Yetka of Minnesota will address a dinner meeting of the Minneapolis Insurance Women's Club.

Insurance Club Hears Leach

MINNEAPOLIS.—Mayor George E. Leach, himself an insurance man, spoke

at the meeting of the Insurance Club of Minneapolis Monday. The luncheon was sponsored by the Charles W. Sexton Co.

Fewer Licenses in Nebraska

LINCOLN, NEB.—A slight falling off in agents' licenses issued is reported by the Nebraska department. Up to Nov. 5 the total was 27,404 compared with 28,258 for the same period in 1936.

Takes Over Durand Agency

MILWAUKEE.—The George H. Russell Co. has acquired the business of the Loyal Durand agency, which is being consolidated with the Russell office in the Grain & Stock Exchange building. Mr. Durand, who died recently, was general agent here for the Employers Liability and also had operated a local agency since 1897.

IN THE SOUTHERN STATES

Approve 20 Percent Cut

Louisiana Commission O.K.'s Basic Rate Reduction for Windstorm and Hail

NEW ORLEANS—A 20 percent cut in all basic rates for windstorm and hail insurance in Louisiana, which represents a saving of more than \$200,000 to policyholders, was approved by the Louisiana insurance commission. Rodney P. Woods, I. W. Gajan and L. B. Ponder, members of the commission voted for the reduction.

The plan for the reduction, they said, was worked out in conjunction with the Louisiana Rating & Fire Prevention Bureau. "The reduction was made despite the fact that Louisiana has been enjoy-

ing lower windstorm rates than other seacoast states," it is stated. In addition to this reduction, the commission announced, "there has also recently been effected a substantial reduction in the fire rates on fire-resistant buildings." The cut in rates for sprinkler-equipped risks applies to modern school, hospital, hotel and other slow-burning structures. The saving to individual risks was as much as 45 percent on buildings and 35 percent on contents, the bureau said. In cases where surveys showed extra hazards like partitions, the reductions were much lower and in some cases offset by an increase.

At an open hearing of the commission, W. M. Railey applied for information on experience of companies as to fire losses on structures "separately and by customary classification," in order to deter-

1794 1937

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STATE OF PENNSYLVANIA
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ANNUAL STATEMENT December 31, 1936

Reserve for Unearned Premiums	\$1,920,780.68
Reserve for Losses Under Adjustment..	194,625.69
Reserve for Taxes and all other Claims	107,228.45
Contingency Reserve	100,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	2,112,660.17

TOTAL ASSETS \$5,435,294.99

SURPLUS TO POLICYHOLDERS \$3,112,660.17

Bonds and stocks are valued on basis approved by National Association of Insurance Commissioners. On basis of market quotations, the total Admitted Assets would be \$5,548,777.75 and the Policyholders' Surplus \$3,228,142.93.

Acquire
THE OLD "STATE OF PENN"



mine whether there should be a general rate readjustment. He also attacked the windstorm rate reduction as being insufficient.

Kirkpatrick Is Dallas Head

Honor Paid to R. H. McLarry, Retiring President, and Alfonso Johnson, Association Manager

DALLAS.—Paul Kirkpatrick was elected president of the Dallas Insurance Agents Association at its annual meeting. Fred Hallison was chosen first vice-president; C. R. Tucker, second vice-president; Dallas Addison, secretary-treasurer, and Alfonso Johnson was re-elected manager for the seventh consecutive year. Other directors of the association are: R. H. McLarry, retiring president; Cruger T. Smith, Eric C. Gambrell, W. J. Reilly, O. W. Cox, Aubrey Costa, and W. N. Hill.

Retiring President McLarry in his annual report announced that the membership is now 94 as compared with 87 a year ago and reported that the financial condition is stronger than ever before in its history. He advised Manager Johnson that the directors had granted him a 30-day vacation on full pay and had voted him a bonus for his convention work.

Mr. McLarry was presented a bound volume of nearly 200 letters of appreciation from those who attended the National Association of Insurance Agents convention in Dallas, of which Mr. McLarry was general chairman. He also received a bound volume of insurance magazines and periodicals containing the printed history before, during and after the annual convention of the National association.

District Short Course at Jacksonville, Fla., Planned

JACKSONVILLE, FLA.—A district short course in fire insurance, sponsored by the Florida Insurance Agents Association, will be held here beginning Nov. 15. It will follow the plans of the state-

Cup Donated



T. G. REDDEN

T. G. Redden of Greensboro, president North Carolina Association of Insurance Agents, has donated a cup to the organization to be awarded each year to the local board which performs the most outstanding service to the state body. It was stated in a recent issue that it was to be awarded to an individual for outstanding work. This is not correct.

The North Carolina officers have just completed holding regional meetings in eight districts. There was a large attendance at the gatherings and a report was made of the National convention at Dallas.

wide school at Camp Roosevelt Sept. 7-10. The lectures will include: Nov. 15, Common Errors in Writing Policies, R. H. Bachman, general adjuster Fire Companies Adjustment Bureau, Atlanta; Nov. 16, Personal Property Floater Policy, Manley Stockton, assistant general agent Hartford Fire, Atlanta; Nov. 17, Supplemental Contract, General Cover Contracts, S. W. Keenan, agency superintendent Fireman's Fund, Atlanta; Nov. 18, Office Routine, Burdette Garrison, Clifford A. Payne & Garrison Co., Jacksonville; Nov. 19, Stamping Office Routine, R. P. Goodloe, assistant manager Florida Inspection & Rating Bureau, Jacksonville; Ways, Means and Ethics of Selling, Hunter Brown, Fisher-Brown Insurance Agency, Pensacola.

If this course goes over well, like schools will be held at other key points in the state.

Plan Oklahoma Session on Cooperatives, Rural Agents

OKLAHOMA CITY—The post-convention conference of the Oklahoma Association of Insurers is announced for Nov. 19 in Oklahoma City. The purpose is to launch a drive against cooperative movements and to organize a full membership unit of rural agents in both the state and National associations.

The morning will be given over to discussing the "Co-ops" and putting on a radio network, covering the entire state, an address to be given by Bert E. Mitchner of Hutchinson, Kan. Business men will be urged to have radios in their places of business so that customers can hear the talk and notify their customers of it by telephone, mail or newspaper advertising.

An effort is being made to have company farm department representatives attend the session on rural agents.

Stock vs. Mutual Debate

DALLAS.—A battle of words between stock and mutual companies will

be staged in the county commissioners' courtroom Nov. 18, when R. H. McLarry, former president Dallas Insurance Agents Association, will offer rebuttal to the address made before that body by G. M. Ware, representing the Indiana Lumbermen's Mutual of Indianapolis, in his efforts to get a part of the county's business. The immediate object of the discussion is about \$130,000 of fire and windstorm coverage on county buildings, just renewed by the Dallas Local Placement Board, a division of the Dallas Exchange, which handles insurance carried by political units in Dallas and Dallas county. Mr. Ware offered to write the insurance at an annual saving of \$173, but admitted, under questioning by Mr. McLarry, that the saving could not be guaranteed but was on the basis of past savings.

The commissioners' court authorized Mr. Ware to be present when President McLarry presents his argument in behalf of stock insurance and to question his statement, as Mr. McLarry was privileged to do after Mr. Ware's talk.

Frates & Co. in San Antonio

Jack Bennett has applied for membership in the San Antonio Insurance Exchange. He plans to operate a local agency under the firm name of C. L. Frates & Co. at 1107 Milam building, San Antonio. Frates & Co. operate a large local and general agency in Oklahoma City.

Moser Visits Texas

A. A. Moser, president Merchants Fire of New York, visited San Antonio, Tex., on his way east after his annual trip to the Pacific Coast.

Form Coleman & Co. Club

A club has been organized in the Coleman & Co. agency, San Antonio, Tex., which has for its purpose a study of the work of the agent so that greater returns may be obtained through the development of greater efficiency in service.

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Fireman's Fund Ins. Co., American Insurance Co., Bankers Indemnity Ins. Co., Globe Indemnity Co., Continental Casualty Co., London Guarantee & Accident Co., Ltd.

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FOOTE, BUSHNELL, BURGESS & CHANDLER

1258 Terminal Building
Cleveland, Ohio
Metropolitan Life Insurance Co., Medical Protection Co., Hartford Accident & Indemnity Co., Workers' Compensation Co., Columbia Casualty Co., Ocean Accident & Guarantee Co.

JOHN H. MCNEAL and HARLEY J. MCNEAL

582 Auditorium Bldg., 147 E. 5th St.
Phone Main 1928
CLEVELAND
Attorneys-at-Law
Facilities for Investigations, Adjustments and Trial work over Northern Ohio.

HEDGES, HOOVER AND TINGLEY

8 East Long Street
Columbus, Ohio
Fireman's Fund Indemnity Co., Massachusetts Bonding and Ins. Co.
Equipped for investigation and adjustments.

PICKREL, SCHAEFFER, HARSHMAN & YOUNG

Gas & Electric Building
Dayton, Ohio
Hartford Accident & Indemnity, Fireman's Fund, Fidelity & Casualty, Western Ins. Group, Bankers Indemnity.
Investigation and Adjustment Department.

LOGAN & BRADLEY

408 Home Bank Building
Toledo, Ohio

WILLIAM E. PFAU

710 Union National Bank Building
Youngstown, Ohio
Continental Casualty, American Motorists, New Amsterdam, Royal, Standard S & C, Buckeye. Many others on request.
Equipped for Investigations and adjustments. Defense trial—all insurance cases.

OREGON

HARRIS & BRYSON

291-6 Miner Building
Eugene, Oregon
Zurich General Accident and Liability Insurance Company, Ltd.; Manufacturers and Wholesalers Indemnity Exchange. (Other companies on request.) Equipped for investigation, adjustments, settlement of all insurance cases, and trial in State and Federal Courts.

WILSON S. WILEY

608-609 Oregon Bank Bldg.
Klamath Falls, Ore.
Defense trial of all insurance cases State and Federal Courts.
Equipped for investigations.

FEE & RANDALL

Stangler Building
Pendleton, Oregon
Equipped for investigations and trial work.

BARTLETT COLE

1124 Board of Trade Bldg.
Portland, Oregon
Careful attention to all insurance matters.
Trial of all insurance cases in State and Federal Courts.

(Continued next page)

INSURANCE ATTORNEYS

The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

OREGON (Cont.)

DEY, HAMPSON & NELSON

800 Pacific Building
Portland, Oregon
Continental Cas. Co., American Motorist,
Pacific Greyhound Lines and others.

MCCAMANT, THOMPSON, KING & WOOD

American Bank Bldg.
Portland, Ore.
Mutual Life Ins. Co. of N. Y., Union Central
Life, New Amsterdam Cas., Commercial Casualty,
Sun Indemnity.
Equipped for investigations, adjustments of claims.

RAFFETY & PICKETT

410 Mead Building
Portland, Oregon
Globe Indemnity Co., Fireman's Fund Insurance Co.,
(Marine, Domestic), other names upon request.
Equipped to make investigations and adjustments
also trial of insurance cases in all State and
Federal Courts.

PENNSYLVANIA

MOORHEAD and KNOX

1732 Oliver Building
Pittsburgh, Pa.
Equipped for investigations,
Defense of Insurance Companies in State and Federal Courts.

THORP, BOSTWICK, REED & ARMSTRONG

Grant Building
Pittsburgh, Pa.
Seaboard Surety Co., American Surety Co. (Pittsburgh office), U. S. Fidelity & Guaranty (some cases), others on request.
Investigations.

RHODE ISLAND

SHERWOOD & CLIFFORD

1503 Turks Head Building
Providence, R. I.
General Counsel: Factory Mutual Liab. Ins. Co., and
Automobile Mutual Ins. Co. of America.
Rhode Island Counsel: Employers' Liability, Century
Indemnity and others.
Investigations, Adjustments and trial of all cases.

SOUTH CAROLINA

ROBERT McC. FIGG, JR.

43 Broad Street
Charleston - South Carolina
The Travelers Insurance Company, American Surety
Company of New York, Hartford Accident & Indemnity
Company, New York Casualty Company.
Trial of all insurance cases in State and Federal
Courts. Equipped for investigations and adjustments.

THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building
Columbia, South Carolina
Specializing in Fire, Casualty, Surety and Life.
Trial of all cases.
Equipped for investigations and adjustments all over
South Carolina.

SOUTH DAKOTA

BAILEY, VOORHEES, WOODS & BOTTMU

Sioux Falls
Charles O. Bailey (1888-1922)
John H. Voorhees Melvin T. Woods, Jr.
Theodore M. Bailey Roswell Bottum
Howell L. Fuller Ralph S. Rice

BOYCE, WARREN & FAIRBANK

355 Boyce Building
Sioux Falls, S. D.
Hardware Mutual, Mutual Benefit Health & Accident,
Northwestern, National Casualty, Bankers Indemnity, London Guarantee & Accident.

S. DAKOTA (Cont.)

WALTER STOVER

First Citizens National Bank Building
Watertown, S. Dakota

TENNESSEE

POORE, KRAMER & TESTERMAN

302 Fidelity Bankers Trust Building
Knoxville, Tennessee
Zurich Insurance Co., Chicago, Ill.; Preferred Accident
Ins. Co., New York; Commercial Standard Ins.
Co., Fort Worth, Texas; and other companies on
request.
Equipped for investigation, adjustments and trial of
cases in all courts in Eastern Tennessee.

TEXAS

HUBBARD, DYER & SORRELL

City National Bank Building
Corpus Christi, Texas
References: Maryland Casualty Company, American
Fidelity & Casualty Company, Traders & General
Insurance Company.
Specializing in Insurance Law
Equipped for Investigation and Claims

LAW OFFICES COKE & COKE

First National Bank Building
DALLAS, TEXAS
Bossier J. Coke Thomas G. Murnane
Henry C. Coke, Jr. John N. Jackson
Julian B. Martin Arthur E. Hamilton

CANTEY, HANGER & McMAHON

15th Floor, Sinclair Building
FORT WORTH, TEXAS
Samuel B. Cantey Alfred McKnight
(1882-1934) Gillis A. Johnson
William Hanger Harold T. Thorne
Mark Mahon R. E. Hanger
W. D. Smith Seymour Lieberman
Standard Accident Insurance Company of Detroit,
Chicago Lloyd's.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of
all insurance cases and oil cases.

COLE, PATTERSON & COLE

Citizens State Bank Building
Houston, Texas Galveston, Texas
Robert L. Cole, Sr. J. W. McDaniel
Robert B. Patterson Harold T. Thorne
Robert C. Cole, Jr. R. E. Owee
Seymour Lieberman
Standard Accident Insurance Company of Detroit,
Chicago Lloyd's.
United States Casualty Co. of New York City, etc.
Equipped for investigation, adjustment, trial of
all insurance cases and oil cases.

LAW OFFICES OF EDWARD S. BOYLES

FIRST NATIONAL BANK BUILDING
HOUSTON, TEXAS
Edward S. Boyles Willard L. Russell
M. S. McQuade V. Lee McNamee
Bruce C. Billingsley Hugh Q. Bush
M. F. Gibbons

CRENSHAW & DUPREE

First National Bank Building
Lubbock, Texas
Representing U. S. F. & G., F. & D., Maryland
Guarantee, American Ins. Co., Amicable
Life, Inc., Co. and many others.
Trial of all insurance cases in all courts. Equipped
for investigation, adjustments, settlement of claims
in plains Country.

BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Center Building
San Antonio, Texas
Continental Casualty Co., Chubb, Indemnity Ins.
Co. of North America, Phila.; Mass. Bonding &
Ins. Co., Boston; Provident Life and Acc. Ins. Co.,
Chattanooga; Sun Indemnity Co. of New York;
Volunteer State Life Ins. Co., Chattanooga, and others.

MOURSUND, BALL, MOURSUND & BERGSTROM

613 Frost National Bank Building
San Antonio, Texas
Lydia Group and others given on request.
Trial of all insurance cases, State and Federal
Courts this territory.

UTAH

THATCHER & YOUNG

First Security Bank Building
Ogden, Utah
Travelers, Great American Indemnity, Maryland Casualty
and others on request.
Equipped for investigations, adjustments, defense of
insurance companies in Northern Utah.

WASHINGTON (Cont.)

H. EARL DAVIS

301 Sherwood Building
Spokane, Washington
Representing the Columbia Cas., Ocean Acc. &
Casualty, Royal Indemnity, First Indemnity, Great
American, Royal Indemnity, Surety, New York
Casualty, U. S. Guarantees, Ohio Casualty Ins., Great
Lakes Casualty, Connecticut Indemnity, St. Paul
Mercury Indemnity.
Equipped to handle investigations and adjustments
and all types of insurance trial work.

BURKEY & BURKEY

Puget Sound Bank Bldg.
Tacoma, Wash.

Insurance clients given on request. Equipped
for investigations and adjustments.

HARLEY W. ALLEN

102 First National Bank Building
Walla Walla, Washington

Representing U. S. F. & G., Portland Assn. Ins.
Company, Portland. Other companies on request.
Equipped for investigations, adjustments and trial
for this territory and eastern Oregon.

WISCONSIN

KRUGMEIER & WITMER

Appleton State Bank Bldg.
Appleton, Wisconsin

Defense of Insurance trial work. Equipped for Ad-
justments and investigations.

CROCKER & HIBBARD

303½ South Barstow St.
Eau Claire, Wisconsin

Equipped for handling all insurance matters in this
territory in State and Federal Courts.
Reference: Western Adjustment and Inspection Bu-
reau.

LYNN D. JASEPH

404 Northern Building
Green Bay, Wisconsin

Defense in trial work of insurance cases in all
State and Federal Courts.

NASH & NASH

Savings Bank Building
Manitowoc, Wisconsin

Continental Casualty Co., The American Motors
America Exchange, G. H. Hardware Mutual Cas-
ualty Co., and others on request.
Equipped for investigations, settlement of all insur-
ance claims—this territory. Defense trial in State
and Federal Courts.

N. A. PEARSON

403-04 Fourth & Pike Bldg.
Seattle, Wash.

Associated Indemnity Corp., and London
Guarantee & Accident Co.
Equipped for investigations and adjustments and
trial of all insurance cases in State and Federal
Courts.

BLOODGOOD, STEBBINS & BLOODGOOD

212 W. Wisconsin Ave.,
Warner Building

Milwaukee, Wisconsin

EUGENE L. MCINTYRE

Bender, Trump & McIntyre

605 Security Building
(212 West Wisconsin Ave.)

Milwaukee, Wisconsin
Western Ins. Companies of Fort Scott, Sun Indemnity,
Central Surety & Ins. Corp., Employers Reinsurance
Corp. Others on request.
Equipped to investigate and adjust claims in Milwau-
kee and vicinity.

A. B. WELLER

Plankinton Building

Milwaukee, Wisconsin

Defense trial of all insurance cases in State
and Federal Courts of Wisconsin.

ATTORNEYS (Cont.)
WISCONSIN (Cont.)
WOLFE & HART

First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

BOUCK, HILTON, KLUWIN & DEMPSEY

First National Bank Bldg.
Oshkosh, Wisconsin
Employers Liability Assurance Co., Ltd., Fidelity & Casualty Co., Employers Mutuals, Wausau, Wis., and others on request. Fully equipped to investigate and adjust claims in Oshkosh and surrounding communities.

KEARNEY, KOELBEL & GOODLAND ATTORNEYS

405-411 Arcade Building
Racine, Wisconsin
Employers Group, United States Casualty Co., Chicago Motor Club.

JOSEPH H. PETERS

529 North 8th Street
Sheboygan, Wisconsin

Defense Insurance Trial this territory—State and Federal Courts. Equipped for investigations and adjustment of claims.

GORMAN, BOILEAU & PARK

404 Third Street
Wausau, Wisconsin
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WYOMING
HARRY B. HENDERSON, JR.
SUITE #4 HYNDS BLDG.
CHEYENNE, WYO.

Representing many major insurance companies all over Wyoming. Equipped for adjustments and investigations.

R. DWIGHT WALLACE
EVANSTON NATIONAL BANK BLDG.
EVANSTON, WYO.

Representing U. S. Fidelity & Guaranty. Equipped for investigations, adjustments, settlement of claims in this territory, and defense trial work.

ing and selling clients. The entire program is under the direction of club officers selected by the agents. It is only when requested that firm members take an active part. Particular consideration has been given to sales possibilities connected with the payment of claims, and agents give sales demonstrations.

Thomsen on Texas Trip

H. J. Thomsen, new southern department manager for Corroon & Reynolds, has just completed a tour of southwest Texas, visiting agencies.

To Select Virginia Manager

RICHMOND.—A meeting of the executive committee of the Virginia Association of Insurance Agents will be held here within the next week or two. It is understood that action will probably be

taken on the selection of a man for salaried manager at that meeting. A tentative selection has been made, according to J. Davis Ewell, president of the association, but the identity of the man whom the committee hopes to secure has not been disclosed.

Insurance Men Win Offices

FRANKFORT, KY.—D. D. Smith of the Smith & Lindsay Agency, Frankfort, Ky., has been elected mayor of Frankfort. J. W. Jeffers, insurance man, was elected police judge of Frankfort.

J. B. Taber, Kentucky state agent Fidelity-Phenix, was elected to the Elizabethtown, Ky., board of education.

Mrs. Ethel F. Dent, Cuero, Tex., engaged in local agency work, died last month. The agency will be continued by her brother, J. C. Woodworth, under the firm name of Woodworth & Dent.

PACIFIC COAST AND MOUNTAIN

Companies Write \$14,000,000 Insurance on Big Bridge

Approximately \$14,000,000 insurance on the new Golden Gate bridge in San Francisco—more than 50 percent of value of physical property—has been written by fire and marine companies. It was found impossible to secure full cover, partly because the insurance market already carried \$36,000,000 on the San Francisco-Oakland bridge under an all-risk form with 80 percent coinsurance, plus \$8,000,000 use and occupancy, and also because of the earthquake hazard in that territory. The companies decided they did not want to have more than the present total of \$58,000,000 on the two bridges at San Francisco.

An effort was made for some time to place \$18,750,000 on an all-risk basis, that being approximately 80 percent to value, under a three-year policy. The present coverage includes \$12,000,000 on the bridge and \$1,825,000 use and occupancy. Both contracts are for three year terms. The U. & O. policy will pay not more than \$5,000 a day for a maximum period of one year.

Consolidate Mill Loss Cases

DAVENPORT, WASH.—Five cases brought by the F. M. Martin Grain & Milling Co. of Cheney, Governor Martin's milling business, have been consolidated for jury trial.

The defendants are the Millers National, Michigan Millers Mutual, Mill Owners Mutual of Iowa, Millers Mutual of Alton and National Retailers Mutual of Chicago, each company being used for \$6,190 or a total of \$30,994.

The actions are brought to recover for the burning of 31,294 bushels of wheat alleged to have been stored in the Creston Cooperative Grain Company's elevator at Creston, which burned March 1, 1936. C. A. Connor, the manager, confessed to setting the fire and is now in the penitentiary.

Oakland Shows Improvement

At Oakland, Cal., the National Fire Protection Association states that a new building code will be adopted soon. The area in which wooden shingle roofs are permitted will be reduced from 90 to 50 percent. Some 220 old and dilapidated buildings have been demolished in the last year and a half. The excessive annual charge for sprinkler connections imposed by the water company is an unfavorable factor in the fire protection picture.

Nominees of Women's League

SAN FRANCISCO—Alyce West has been nominated for president of the San Francisco Insurance Women's League, Lillian Van Laanen for vice-president; Dorothy Praetzel for secretary and Wilette Harvey for treasurer.

Bert R. Jones, manager accident and health department Maryland Casualty,

addressed the league on "Accident and Health Insurance." Automobile classes being conducted for league members under the direction of R. L. Simpson will be resumed Nov. 16.

George Guerraz Is Retiring

George Guerraz, assistant manager of the Liverpool & London & Globe and for some years in charge of the Pacific Northwest territory with headquarters in Seattle, has retired.

Settle Hail Commissioner Row

DENVER.—J. A. Bixby has succeeded L. F. Brammeier as state hail insurance commissioner, apparently ending a controversy over the position which had reached such proportions that it threatened to become a test of the 1933 administrative code law, making heads of state departments responsible for appointments in their departments.

Mr. Brammeier was appointed by the state hail commission following the death of T. P. Detamore. A month later Governor Ammons appointed Mr. Bixby, but Brammeier refused to vacate the office. Bixby reported for duty regularly and Brammeier filed suit here to keep Bixby from the office.

That case is still pending, but Attorney-general Rogers indicated this week it would be dropped.

Issues Surplus Line Rules

SAN FRANCISCO—A lengthy set of rules and regulations has been issued by Commissioner Carpenter for surplus line brokers under the new law governing the operations of surplus line brokers in this state.

After explaining the law the commissioner interprets some of the regulations and comments on a number of forms which have been submitted for approval. Only a few have been approved, however, and none will be approved until proof is shown that the risk cannot be covered by companies admitted to the state. In some instances he gives full approval until "such time that companies now admitted to do business in this state" provide coverages for such risks.

Maryland Casualty Honored

SAN FRANCISCO—The Maryland Casualty was "honored guest" at the luncheon meeting of Insurance Post 404, American Legion, in line with the organization's plan of honoring one company at each meeting. Sig Arndt of Finn-Elbow and Wesley King, broker, were in charge of the program. Ching Wah Lee, prominent writer and publisher, discussed "The Asiatic Problem."

Lilly on Pacific Coast

George W. Lilly, general manager Fire Companies Adjustment Bureau, is in California. He conferred with Harry J. Boyle, general manager Pacific coast department, attended the California

agents' convention this week and return to San Francisco Nov. 15 for a two-day business meeting with all of the branch managers connected with the coast department.

Following withdrawal of K. C. Hamilton from the brokerage firm of Mitchell, Larke & Hamilton, San Francisco, the name has been changed to Mitchell, Larke & Co.

NEW EXTINGUISHER

LOADED STREAM - ANTI - FREEZE

"A-1" — "B-2" CLASSIFICATION

1st. Will operate efficiently at 40° below zero.

2nd. Will extinguish wood and general fires.

3rd. Will extinguish oil, gasoline, grease, and paint fires.

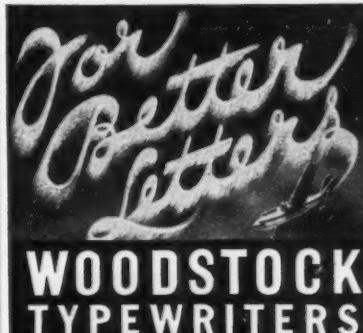
BUILT IN 1 1/4 GAL. AND 2 1/2 GAL. SIZES

ONLY ANNUAL INSPECTION IS REQUIRED

Approved by Underwriters' Laboratories

WRITE FOR CATALOG—DEPT. 87-23

FYR-FYTER CO., DAYTON, O.

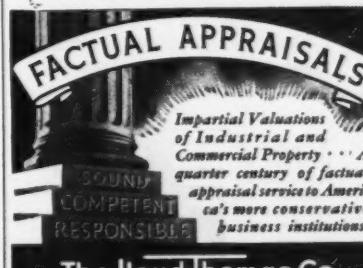

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Recommended

JUSTRITE OILY WASTE AND SAFETY CANS

Approved and Selected by the Underwriters Laboratories and Associated Factories Mutual Insurance Companies

JUSTRITE MANUFACTURING COMPANY
2007 SOUTH THIRTY-THREE AVENUE CHICAGO, ILL.



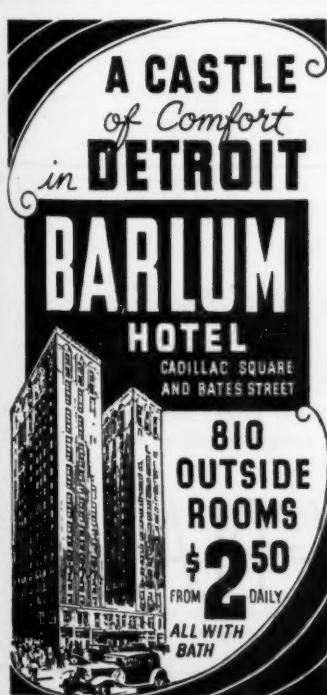
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How & Ask about
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420 East Fourth Street • Cincinnati, Ohio



EASTERN STATES ACTIVITIES

No Fire Prevention Bureau

Buffalo Is One of a Few Large Cities That Does Not Have a Division in Its Fire Department

The National Fire Protection Association states that Buffalo is one of the few large cities without a fire prevention bureau in the fire department. This measure has been strongly advocated by Fire Commissioner Castimore. The fire prevention committee of the chamber of commerce has not been active and the N.E.P.A. says: "It has not been influential in securing public interest for the proposed fire prevention bureau and other important measures needed for the fire safety of the city."

New Jersey Association to Aid Members' Survivors

NEWARK—The New Jersey Association of Underwriters, of which Charles E. Meek, Jr., is president, has adopted a plan which will aid members' survivors. The association's plan consists of "offering assistance and advice to widows or other nearest kin of deceased members; to aid them, if called upon, to determine and to preserve, as far as possible, the monetary value of the agency; to give counsel in disposing of same, in continuing to conduct the business or otherwise within its power."

This plan will be outlined in a letter which will be sent by the secretary of the association, when occasions arise for such action, and a special committee will be named by the executive committee in each instance.

As far as is known this is the first time that any insurance association has ever taken such an action. If the plan proves successful, it is quite possible that other associations may adopt the same plan.

The New Jersey association now has a membership of 677, which passed its

former high record of 672, reached in 1928.

Adirondack Agents Meet

The Adirondack Association of Local Agents held its semi-annual meeting and banquet in Plattsburgh, N.Y. Home office representatives and agents from Plattsburgh, Malone, Saranac Lake, Tupper Lake, Lake Placid, Glens Falls and other points attended.

President Walter E. Heffernan of Plattsburgh, presided at the meeting and was toastmaster at the banquet. Banquet speakers were: Thomas J. Cullen, first deputy superintendent; Edward Gill, superintendent of production Glens Falls, and R. M. L. Carson, Glens Falls, vice-president New York State Association of Local Agents.

Honor Dewick & Flanders

BOSTON—Harold Warner, United States manager Royal-Liverpool groups, was host at a dinner in honor of Dewick & Flanders, on completion of their 35 years' representation of the Queen. Others from the head office in attendance were Vice-president Frank E. Jenkins and New England Manager C. L. Purdin. President A. Duncan Reid, of the Globe Indemnity, also represented by Dewick & Flanders, was present.

To Address Institute

J. F. Dissell, assistant secretary Automobile of Hartford, will lecture before the fire group of the Insurance Institute of Hartford on "Cooperative Activities of Insurance Companies." Rating, inspections, fire protection and adjustments will be discussed.

McCue Heads Association

Joseph S. McCue was elected president of the New Jersey State Association of Mutual Fire Insurance Companies at a meeting in Trenton, N.J. Other officers are: Ralph Parbin, Herbert Van Pelt and Walter French, vice-presidents; E. J. Ballinger, secretary-treasurer. The association will celebrate the 45th anniversary of its organization Dec. 8.

Preston County Meet

HOBOKEN, N.J.—The Underwriters Association of Preston county will hold a special meeting here Nov. 23 for discussion of mutual competition.

Pittsburgh Club Elects Nov. 12

PITTSBURGH—Directors for 1937-1938 will be elected by the Insurance Club of Pittsburgh Nov. 12. Officers will be elected later.

Buffalo Agencies Merged

Four of the long established agencies of Buffalo have merged under the title of the Buffalo Fire Office, Inc. The former independent offices were: Buffalo Fire Offices, Fred H. Rice Agency, Whitmer & Whitmer, J. Lucy Agency and the Kenmore Fire Agency.

MOTOR

F.O.B. List Will Not Be Employed for Auto Rating

Because of the change in the method of pricing automobiles, the National Automobile Underwriters Association has notified members that the "f.o.b. list price" which has been used in the past for rating private passenger cars, is not available for the 1938 models.

The association has therefore issued "insurance grouping and rating prices"

of the new models of a number of makes of passenger cars. Prices are a uniform percentage of the delivered price at point of manufacture and the association cautions its members not to confuse them with prices used in advertising or quoted by dealers.

The f.o.b. list prices as shown in the list price section of the Automobile Association's manuals will continue to be used in 1937 and prior year models. For 1938 models the insurance grouping and rating prices are to be used in the same manner as the old list prices where reference is made in the association's manual or rules to "f.o.b. list prices." As soon as the information is available for additional makes of cars it will be announced to members of the association.

MARINE

Open New Pittsburgh Office

PITTSBURGH—Appleton & Cox have opened an office in the Magee building here in charge of Frank Reise, formerly with the New York office.

Line Goes to Local Agents

The fur business in Wisconsin appears to have been returned to local agents by the ruling of Commissioner Mortensen that coverage outside the premises of the furrier or dealer could not be given under furrier's customer's certificates. This is a status that has been in effect in Ohio for some time and has been attempted in other states, including Illinois, but without success. Marine underwriters feel that while they may lose considerable premium income under furrier's customer's master policies in Wisconsin, they will probably regain it through increased sale of the personal fur floater.

CANADIAN NEWS

Unify Canadian Statements

TORONTO—After extended work, the Ontario and Quebec departments have arrived at a form of annual return which is expected to be adopted by all provinces through the association of insurance superintendents. Until now the companies have had to make out a different statement for each province. The new draft includes all business classified by provinces. It also provides for classification of dividends on life policies, and for distinction between premium payments in cash and otherwise.

Revise Loss Classification

TORONTO—A meeting has been arranged here to discuss revision of the present fire loss classification in Ontario, the principal parties interested being the Dominion insurance department and the

Dominion fire commissioner, the Ontario department and the Ontario fire marshal's office.

Draft Crop Insurance Bill

REGINA, SASK.—Draft of a crop insurance bill is ready for consideration by the provincial government of Saskatchewan. It will probably be presented to the next legislature which may meet before Christmas. The bill prepared by A. H. Hanson of the federal government statistical department is expected to open up a highly controversial topic.

To Form Canadian Institute

TORONTO—Marked increase in membership was reported at the first dinner meeting of the Insurance Institute of Toronto. President J. H. Riddell said the four insurance institutes in Canada—Montreal, Toronto, Winnipeg and Vancouver—have agreed to form a temporary federation prior to securing a government charter next June for a Canadian Insurance Institute. He expressed the confidence that the coming year will see the establishment of an all-Canada institute.

Company Reenters Canada

NEW YORK—The Helvetia Swiss of St. Galien, Switzerland, has reentered Canada, appointing J. F. Pigeon of Montreal, chief agent for the Dominion. The company operated in the United States under management of Weed & Kennedy, of this city at one time, but withdrew 25 years ago.

CONVENTION DATES

Nov. 18-19—Casualty Actuarial Society, New York.
Nov. 19—Indiana Agents, Indianapolis Athletic Club, Indianapolis.
Nov. 17-18—Illinois Agents, Hotel Faust, Rockford.
Nov. 27—Utah Agents, Newhouse Hotel, Salt Lake City.
Nov. 29-Dec. 1—Insurance Commissioners, Pennsylvania Hotel, New York City.
Dec. 1—Farm Fire Protection Committee, Stevens Hotel, Chicago.
Dec. 2—Agricultural Committee National Fire Waste Council, Stevens Hotel, Chicago.
Dec. 7—Western Hall Association, Chicago.

NEWS BRIEFS

C. P. Tiley has opened an agency at Festus, Mo.

Bruce D. Bantleon, formerly with the W. C. Taylor agency, has opened his own office in the Cutler building, Rochester, N.Y.

The Union Company of Passaic, N.J., has changed its name to the Charles R. Newman Agency. Mr. Newman is president.

The American Underwriters, a Newark agency, has been incorporated by W. M. Cegloski, Catherine E. Sicoramsa and Jeanne K. Atria.

Mrs. C. C. Chapell, mother of **Byron S. Chapell**, president of the Wichita Insurers, died there following a lingering illness.

Presenting a Policy of Special Consideration ...

For each guest—that is your insurance of a thoroughly enjoyable visit to New York. Overlooking Central Park and convenient to all of New York's attractions, the Savoy-Plaza issues premiums on beautiful rooms, excellent service, tempting cuisine and popular entertainment.



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On your very next trip to Oklahoma City, be it for business or pleasure, try the Oklahoma-Biltmore.

A sufficient number of rooms are available at this rate to supply the demand.

RATES FROM \$2.50

OKLAHOMA BILTMORE
OKLAHOMA CITY
Affiliated NATIONAL HOTELS



Organized 1875

ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET
NEW YORK

United States Branch

Statement December 31, 1936

ASSETS

U. S Treasury Bonds	\$1,618,037.96
Other Bonds	1,126,384.52
Stocks	144,581.00
Accrued Interest	23,718.47
Cash in Office and Banks	<u>124,993.03</u>
	\$3,037,714.98

LIABILITIES

Voluntary Contingency Reserve	\$ 537,714.98
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	<u>1,650,000.00</u>
Surplus to Policy Holders	<u>2,500,000.00</u>
	\$3,037,714.98

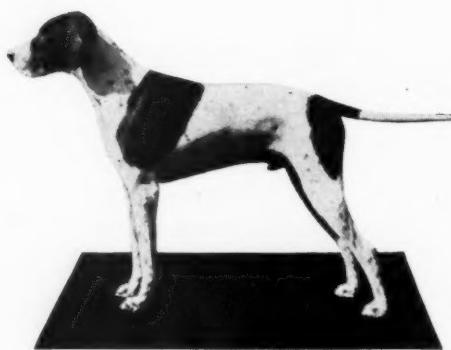
Bonds and Stocks owned are valued in accordance with the requirements of the New York State Insurance Department and the National Convention of Insurance Commissioners.

NEAL BASSETT

United States Manager

111 JOHN STREET, NEW YORK





Judged
on Points

LIKE entries in the big show, insurance companies, too, must be "judged on points."

Rated thus, Standard of Detroit proves a winner.

Its 53 years of experience . . . its firm financial basis . . . its deserved reputation for just settlements . . . its attitude of friendship and responsibility towards its 8300 representatives . . . its national organization of underwriters, inspectors, auditors, safety engineers and adjusters for prompt service and nation-wide

protection . . . its forward vision and veteran skill; these are but a few of the "points" which make Standard Accident more than measure up to standard.

A close association between your agency and Standard will add force to your solicitations . . . increase premium volume on all types of casualty insurance and bonds.

And remember that Standard's national advertising is constantly building good-will for its agents.

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884